Ottawa Pact Means Millions to Canada (Page 11)

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The Nation's Business

Ottawa Will Show Another Deficit Over $80,000,000

Red Agitators Are No Friends of Working Man

Large Deficit Again This Year

SINCE Hon. Hugh Guthrie, who is not minister of finance, has forecast a balanced budget for "normal expenditures" of the Dominion Government certain observations on the country's finances are much needed.

Last year when the finance minister brought down his budget figures. The Financial Post estimated that the current deficit for the year to March 31, 1933, would work out at $147,000,000. At that time complete figures were not available. But it was not a bad estimate. The Citizens' Research Institute, with all the necessary data before it, now shows the deficit to have been $152,000,000, worked out as follows:

	$
Revenues	308,911,536
Expenditures, including railway deficits but not including capital expenditures	460,523,902
Deficit	151,612,366

What the current year's true deficit will be it is difficult to say, and Mr. Guthrie's remarks do not help one to estimate it. It is unlikely to fall below $110,000,000. The total deficit for four years will be just around $500,000,000.

* * *

THE Citizens' Research Institute estimates that at least a billion and a half dollars of the existing funded and guaranteed debt of the Dominion Government has been caused by expenditures on subsidies to, and guarantees for railways, and that almost 900 million of this has been incurred since 1921. A solution of the railway problem would make possible the lightening of the tax burden placed by the Dominion Government upon business, industry and individuals by at least fifty million dollars annually. This would, for example, make possible the removal of nuisance taxes, a reduction in and in time probably the removal of the sales tax.

The Institute expresses the opinion that the present combined burden of taxation is as great or greater than the business and industry of Canadian citizens should be called upon to bear and that any addition to it by way of new taxes or increased rates is not apt to provide a corresponding increase in revenue but will rather tend to retard improvement in conditions. The Institute therefore suggests, notwithstanding governmental deficits on current account shown in government statements:

(a) That no new taxation or increase in rates be made by Canadian governments in 1934, but that decreases be made wherever possible;

(b) That expenditures be not increased from the 1932-1933 levels, but that further reductions be made;

(c) That the governments hold conferences and make studies with a view to elimination of overlapping services and a delimitation of the field of taxation;

(d) That whole-hearted support be given to every attempt to clear up the railway situation.

* * *

Industrial Agitators Are Common Enemy

LABOR disturbances which have been smoldering in Kitchener for many months came to a head a few days ago when some forty workers of the De Luxe Upholstering Co. of that city went on strike. Last week employees in two other plants took similar action and this fine industrial community was treated to a main street display on behalf of the strikers who are doing their best to foment a general walk-out in the city.

Like the Stratford strike this is not a contest of organized labor with their employers. Rather it is outward evidence of vicious Red propaganda spread through Communist groups such as the Workers' Unity League. Similar situations are liable to occur in other communities in Canada unless both employers and the sound element in labor stand firm to combat this subsidized attempt to wreck Canadian industries.

* * *

WHAT is happening in Kitchener is typical of what may possibly happen in other communities. One small firm there, which had made an honest attempt to combat the depression and in so doing had used its entire surplus and capital in an effort to keep its plant open and give employment to workers, found itself for the first

(Continued on page 2, col. 4)

EXPECT DEFICIT FEDERAL ACCTS. OF $110,000,000

Better Revenues Since August Improve Prospect

10 MOS. FIGURES

January Revenue $5,000,000 Higher Than 1933 Month; Excise Taxes Up $17,600,000

A combined deficit of at least $110,000,000 for the Dominion Government and the C. N. R. is anticipated on the basis of figures for the first 10 months of the 1933-34 fiscal year, according to the Citizens' Research Institute. According to The Financial Post's calculations, this figure appears conservative, and the combined deficit may total $120,000,000, judging from the 10 months' experience.

Improvement in revenues since last August, due to better general business, has brought about a reduction in deficit anticipations. At that time it appeared that the combined deficit would be at least $150,000,000.

Deficit of the Dominion Government for the year ended March 31, 1934, is estimated at from $60,000,000 to $65,000,000. This includes special expenditures for relief and so on, but excludes capital outlays. The C. N. R. deficit is estimated at from $50,000,000 to $55,000,000. Combined, therefore, the total probable deficit is $110,000,000 to $120,000,000.

Last year the total deficit for Government transportation systems was over $57,000,000. It does not appear that this will be substantially reduced for the current period, because reductions in operating expenses of the C. N. R. have been entirely offset by declining revenues, so that net revenue is slightly lower than a year ago.

10 Months Figures

Ordinary revenue of the Dominion Government for January, 1934, was $23,603,124 compared with $18,482,487 in the 1933 month and $28,569,853 in December, 1933. This increase of over $5,000,000 brought total ordinary revenue for the 10 months to January 31, 1934, to $269,073,556 compared with $263,163,652 in the same period of the 1933 fiscal year.

The upward trend of revenues is indicated by increases in every revenue department except the post office in January, whereas for the 10 months, only the excise tax and miscellaneous items are ahead of last year. Increase in excise revenue was nearly $17,600,000 for the ten months. Customs revenue, once the Government's main source of income, showed an increase in January, but was down for the ten months.

Ordinary expenditures for January amounted to $25,937,405, compared with $25,182,515 in January, 1933. For the ten months, however, ordinary expenditures decreased, the total being $292,577,572 against $298,375,385 in 1933.

New Expenses

Although most departments show the effects of pared expenses, noteworthy increases in expenditure were made by the finance department, $4,500,000; for old age pensions, $900,000; coal subventions, $1,050,000, and radio commission $840,000. The explanation is that cuts have been made in old departments, but new items of expense have been created and the bulk interest on the national debt raised by the increase of debt.

Comparative figures follow:

Dominion Revenue and Expenditure

	January		10 Mos. to Jan. 31	
Revenue	1933 000's $	1932 000's $	1933 000's $	1932 000's $
Ordinary	23,603	18,482	269,073	263,164
Special	11	804	453	1,409
Total	23,614	19,286	269,526	264,573
Expenditures				
Ordinary	25,937	25,183	292,528	298,375
Special	3,565	3,002	28,368	30,319
	29,502	28,185	320,896	328,694
Capital	288	869	9,226	14,466
Total	29,790	29,054	330,122	343,160

January Output Of Steel, Autos Feature Week

Release of January figures for steel production provided the feature of the past week, the total being the highest monthly figure since May, 1931. Automobile production for January was also shown to be on a high level, the fact that about 60 per cent of the cars produced were for the export market being the most important news.

Carloadings continued at the high levels maintained since the beginning of the year, l.c.l. merchandise loadings and miscellaneous freight showing the largest gains from a year ago.

Monthly		Jan., 1934	Change From Prev. Period %	Change From Prev. Year %
Iron prod.	tons	30,677	— 20.1	+ 5.0
Steel prod.	tons	60,787	+ 25.1	+ 49.0
Autos prod.	No.	6,984	+112.0	+106.0
Ret. prices	Index	787	+ 0.4	— 0.5
Cigar. cons.	No.	267,435,575	— 24.9	— 13.7
Weekly*				
Carloadings	No.	40,595	+ 2.6	+ 32.0
Cattle sales	No.	11,454	— 5.7	+ 28.1
Hog sales	No.	17,232	— 36.0	— 16.0

* Weeks ended Feb. 10, 15 and 15 respectively.

Move Trading to Canada If Restrictions Onerous

Ottawa and Washington Both Would Curb Action Suggested in Wild Talk—Bill to be Toned Down—New York Stock Exchange Fighting Rigid Control

By DR. GAINES T. CARTINHOUR

NEW YORK.—The National Securities Exchange Bill of 1934 has precipitated a nation-wide discussion of stock exchange regulatory legislation in the United States. This dispatch will discuss certain aspects of the measure which have not been presented previously in The Financial Post. Of course, its main purpose is to prevent a sharp appreciation in prices as a result of speculative excesses and artificial depressing of prices by short selling.

If the Bill is passed as now drawn up, it might result in a considerable part of American security operations being transferred to Montreal, Toronto, London, and other financial centres in order to avoid the drastic regulations. Several prominent New York Stock Exchange houses are said to be considering the advisability of locating a completely equipped branch, or branches, in Toronto and/or Montreal if the present ultra-restrictive measure is enacted into law. Canadian traders will recall that when excessive taxes on stock trading were proposed in New York, N.Y.S.E. officials threatened to move the Exchange to New Jersey, with the result that the taxleviers recanted.

Ottawa Would Object

Whether the Bill would permit such facilities to be established in Canada is open to question, but it is significant and doubtless of interest to Canadians that this step is being considered. However, it has been reported in Wall Street that such a transfer of trading operations would not be permitted by Ottawa and that as soon as anything definite materializes, prohibitive legislation would be enacted on the grounds of protecting the Canadian public. Regardless of what action is taken in this respect, people will find some way to give vent to their penchant for speculating. Some forty years ago, it may be remembered, Germany overregulated her security exchanges and drove the security business into the unorganized and unsupervised markets or out of the country with much loss, financially and otherwise. Finally, the entire measure was repealed.

Within the past week the N. Y. S. E. has put into effect three new rules which prohibit specialists from participating in pools in which they are specialists, prohibit members of the Exchange from joining pools the purpose of which is to influence market prices, and prevent specialists from disclosing information given them by the Exchange. The adoption of these more rigid rules is said to indicate the Exchange authorities knew certain evils existed which will soon be disclosed before the Senate Banking and Currency Committee.

Regulation is National Problem

The question has been raised as to the constitutionality of Federal regulation of stock exchanges. Such regulation is a national problem. Stock market transactions as such are purely intra-state in nature but they are so related to inter-state commerce through a stream of security sales and purchases that Congress can exercise control. Numerous decisions could be cited to sustain this contention.

The opponents of the Bill claim that it contains rigid provisions which will impair the liquidity of American securities, and reduce transactions on the exchanges about 50 per cent. Such a loss of business on the N.Y.S.E., according to reports, would mean a decrease in personnel of about 40 per cent; a reduction in office, wire, and other facilities of about 50 per cent; and a loss in transfer taxes from N.Y.S.E. members to New York State, as well as the Federal government. In the last thirteen years $522,000,000 has been paid by this group to both State and national treasuries.

It is also contended that owners of unlisted securities would be denied the right to utilize them for collateral in brokerage accounts; that the measure would destroy the odd-lot and also the put and call business; force a large number of small brokerage and investment firms throughout the country into bankruptcy; and may cause a number of corporations to delist their securities.

Desirable reforms which would be brought about may be summarized briefly as follows: the specialist system would be changed; pool operations would be largely broken up; fictitious sales, matched orders, and dissemination of false or misleading rumors would be prohibited; corporate officials would be restricted from trading in the stock of their own corporations, and margin trading would be curtailed.

Features to Be Dropped

In all probability, the provision requiring a 60 per cent margin on purchases will be lowered to 40 per cent. It is claimed that the former would bring about a deflation of about $7,000,000,000 of security loans by the banks of the country. Margin calls could not be answered and forced liquidation would follow. The average margin on these loans at present is around 20 per cent.

It is doubtful if the actual administration of the measure should be in the hands of the Federal Trade Commission, a politically appointed and over-worked body. It would be advisable to set-up a special non-political body on which the exchanges would be represented, with no other duties to distract its attention. If no change is made in the Bill in this respect, the Commission should be reorganized, enlarged, and the limitation of its discretion carefully provided for.

The provision restricting borrowing to loans only from member banks of the Federal Reserve System is another factor that would slowly but surely force all commercial banks into a unified banking system — a most desirable and necessary goal — but opponents of the Bill point out this provision prohibits loans by corporations, individuals, private bankers, and brokers.

There are also many minor features which will probably be dropped or altered, such as the one requiring that in mailing proxies to stockholders, a company must show each stockholder the names of all the other stockholders to whom proxies are sent. In the case of the American Telephone and Telegraph Company and many others this would be no little task and would incur considerable expense.

LOW WAGE PROBE IS INITIAL ACTION STEVENS' GROUP

Draft Questionnaire on Buying Practices of Big Stores

Minimum wage law officers will be the first group to give evidence before the federal committee investigating merchandising and manufacturing practices, it is announced. Representatives from Ontario and Quebec have been notified to appear before the committee on Feb. 27. In the meantime, Norman Sommerville, K.C., Toronto, who has been appointed counsel for the committee, will arrive in Ottawa to take up his duties.

On February 22, Dr. R. H. Coats, Dominion statistician, will appear before the committee to suggest ways and means of obtaining information. Mr. Stevens has told the committee, however, that a considerable mass of information is already in his hands and only remains to be sorted out and co-related by experts.

Draft Questionnaire

While no experts have yet been officially named by Mr. Stevens, appointment of outside investigators is being proceeded with. A questionnaire is being drawn up for submission to department stores in which they will be asked to answer numerous questions in relation to their buying practices. Labor officials will be called to sell what they know of sweat-shop practices.

A special committee has been appointed to study the data available in various Government departments. The committee consists of Dr. R. H. Coats, Dominion Statistician; R. M. Tory, chairman of the National Research Council; F. A. McGregor, registrar under the Combines Investigation Act, and Harry Hereford of the Department of Labor.

The "mass of evidence" to which Mr. Stevens has referred is known to contain the results of an investigation sponsored by the Canadian Garment Manufacturers' Association and the findings of an Ontario legislature agricultural committee which investigated the activities and practices of both packers and stock yards.

Provincial Activities

Meanwhile, the question of fair business practice is being extensively aired in provincial parliaments throughout the Dominion.

In the Ontario legislature, F. J. MacArthur, Conservative member for Northumberland reviewed the situation in the Stratford furniture factories during the debate on the speech from the throne. He attacked the actions of the department stores in no uncertain fashion claiming that by beating down manufacturers' prices they had been the cause of the low wages being paid.

Russell Nesbitt, K.C., urged the Ontario legislature to conduct a probe into the abuses going on in the construction industry. He stated that the method of letting contracts to a general contractor and then having them peddle the work to subcontractors had resulted in wholesale bankruptcy of the smaller contractors. Meanwhile workmen were underpaid. He urged a change in the letting of contracts and a minimum wage law with "teeth in it."

Fair Trade Council Active

W. K. Cook, of the Canadian Garment Manufacturers' Association, provisional chairman of the National Fair Trade Council addressed a meeting of members of the Ontario Retail Merchants' Association on Feb. 21, outlining the aims of the council. To defray expenses of the council's activities it is suggested that retailers contribute $10 for eevry $10,000 of business volume, according to Hardware and Metal, Toronto.

EXPECT EARLY TARIFF MOVE BY ROOSEVELT

Washington Thinks Barter Plan Nearly Ready

CANADA CONSIDERED

Chief Principle of Scheme is to Avoid Building Up Trade Balances — Roosevelt Favors Bi-lateral Pacts

Special Correspondence

WASHINGTON.—For the third time since President Roosevelt took office the conviction has descended upon Washington that the United States is preparing to "do something" about tariffs and foreign commerce. A new formula to permit such a development has been evolved and is now being polished by many hands. The general outline of the programme has been written into administration dogma. Action will follow soon unless friction which has shown itself in the President's official family during the polishing process causes delay.

The new programme includes three chief features, as follows:

(1) Establishment of the principle that the United States, in its foreign commerce, should avoid building up favorable balances both in total trade and, to the extent possible, as between countries, with recognition being given in the accounting to invisible as well as visible items.

(2) Creation of an organization to control foreign trade by "influencing and expediting" export and import transactions in a way designed to avoid creation of such balances.

(3) Reclassification of all articles in trade as an initial step toward drafting a "scientific" tariff for the United States.

Plan Barter Scheme

The plan calls for "canalizing" commerce to a great extent; resorting to outright barter through Government agencies, to gain some of its ends; utilizing the regulatory influence of credit under federal direction, as an aid in maintaining equilibrium in external buying and selling, and the end of Congressional log-rolling in tariff making.

In many ways the programme is as revolutionary for the United States as were the earlier Roosevelt schemes for limiting agricultural production and regulating business and industry. As achievement of a "planned economy" is sought, however, this plan is viewed by the White House as just as necessary and just as natural as any of the Roosevelt innivations that have preceded it.

New Group Formed

There is no one central point where all the features of the projected trading policy for the United States are known, outside of the mind of President Roosevelt. Sections of the programme have already been forwarded by the executive to tariff experts in Congress, for study and action at a suitable time. This fact was conceded by Senator Edward P. Costigan, Col., Democrat, a former member of the U. S. Tariff Commission, who is ranked as the Congressional collaborator with Mr. Roosevelt on tariffs and the leading legislative expert on the subject.

Recommendations by a group described as the Executive Commercial Policy Committee have been received and revised by President Roosevelt and certain vital proposals it advanced, such as the scheme for reclassification of articles in foreign trade, have received his favor.

Others Study Problem

An interdepartmental committee, made up of members of the cabinet has also been studying the problem and, while conferring several times each week with the President, has brought a co-ordinated programme into something approaching final form. Incorporated in this are many features of the somewhat grandiose scheme drawn up by George Peek, former

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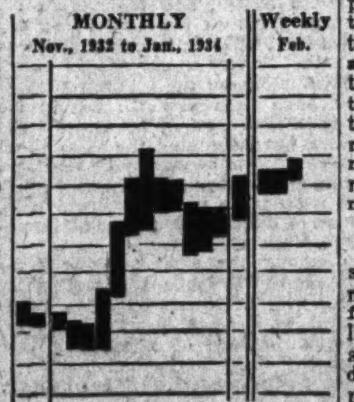
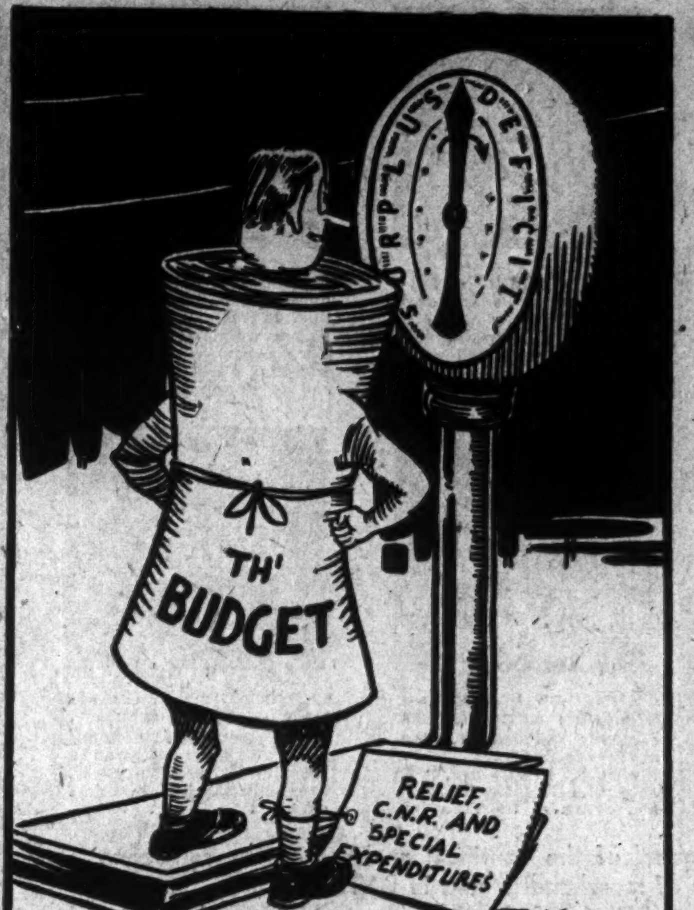
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Feb. 20	54.5	50.9
Week of Feb. 13	52.3	49.1
Month of Feb., 1933	27.0	22.7
10 Public Utilities		
Week of Feb. 20	52	52
Week of Feb. 13	53	51
Month of Feb., 1933	44	40
3 Bank Stocks		
Week of Feb. 20	188	183
Week of Feb. 13	188	184
Month of Feb., 1933	164	156


S-U-R-P-L-U-S
D-E-F-I-C-I-T
TH' BUDGET
RELIEF, C.N.R. AND SPECIAL EXPENDITURES
R. Kaell

—Drawn for The Financial Post by R. Kaell.

WHY NOT PUT BOTH FEET ON THE SCALE?

"When March 31 comes around, I expect we shall be able to proclaim to the world that we have balanced our budget. I do not mean that we shall be able to pay every obligation we have incurred."—Hon. Hugh Guthrie, in Toronto speech.

OTTAWA MAY YET CHANGE ANNUITY RATE

Provincial Veto Shelves Plan to Replace Pensions

RATES DEFENDED

From Our Own Correspondent

OTTAWA.—With the end of the fiscal year in sight, the Dominion government is considering changes in the rates for government annuities. It is learned that representations have been made to the ministry by life insurance companies and other business interests urging an increase in these rates. Their argument, put simply, is that the government is doing annuity business at less than cost and thereby competing unfairly with private companies.

The government is not likely to reach a decision for several weeks but it is understood that the majority view in the cabinet is in favor of making no change and that in any event the increase, if decided upon, will be very slight.

One rumor has it that if any change is made it will be an upward jump of about 10 or 11 per cent in the federal annuity rate schedule.

Alternative Plan Shelved

Some time ago the cabinet was considering a plan of developing annuities as an alternative policy to the present Old Age Pension system. The plan was to abandon pensions as from the present time—not cutting off those now in receipt of them—and offer the public annuities at perhaps one-half the going government rate.

It is understood that the provincial governments are not in favor of this change, although they recognize that it would tend strongly to encourage thrift and saving. For this reason the proposal has been temporarily shelved.

Allegations Refuted

Officials of the Department of Labor, at Ottawa, as well as several cabinet ministers, believe that the charge against the annuities branch—that it operates at a loss—while confirmed by the annual reports of the business done will not stand up under close scrutiny. They claim the actual position is that the annuities branch has been practically self-sustaining for a number of years.

This, they claim, is true notwithstanding the fact that Parliament passed the original annuities statute in 1907 with the declared intention of providing the public with annuities at less than cost. Under the statute the cost of administration was to be borne by the National treasury. In addition, Parliament undertook to pay a higher rate of interest on annuity investments than was paid on the ordinary funded debt.

Nearly Self-Sustaining

But in point of fact the annuity system has been self-sustaining, or nearly so, for many years. A careful check up over its 26 years of life would probably reveal that the state has made a slight profit. This does not take into account the claim made repeatedly that the actuarial reserve tables used by the branch are obsolete and would require a substantial sum in order to be placed on a sound basis.

The annual reports of the branch, however, show a loss, with few exceptions, for these 26 years. In The Post of Feb. 3, an analysis of the latest available report, for the fiscal year ended March 31, 1933, quoted the figures since 1929. The loss

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Empire Pacts

What they have really done to Britain's trade with Canada on items concerned. An exclusive analysis shows the treaties value. Page 11

Insurance Man

Arthur B. Wood, new Sun Life president, believes Providence guided him to his present high office. The road he took. The man and his manner. Page 11

Wall Street

Will the New York Stock Exchange move to Canada? Mr. Roosevelt's trading restrictions analyzed by Dr. Gaines T. Cartinhour of New York University. Page 1

Gold Boom

Survey of Canada's gold production in 1933 shows big increase in value, decreases in volume. How production has jumped in the last four years. Page 20

Auditors

Utter frankness is the remedy for auditing policies that do not give investors adequate information. F. W. Wegenast, K.C., analyses audit weaknesses. Page 9

Quebec Rule

Two-man municipal commission of the ancient French province rules with an iron hand. Their authority and policies. Page 8

C. N. R. President

S. J. Hungerford's 40 years in transportation. How his apprenticeship to Sir Henry Thornton led him to the president's desk. Page 3

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LOWER PRICE EATON TIRES UPSETS TRADE

Price Cuts on Standard Brands May Follow as Result

NEW MAIL PRICES

But Mass Buying Not Blamed for Fact That Eaton Prices Now 30% Lower

Possibility of a price war in the automobile tire field in Canada is seen with the publication this week of the new T. Eaton Co. mail order catalogue which goes out to the homes of thousands of automobile users across Canada.

The picture in brief is this:

Last year tire makers in the United States cut prices materially in the spring season. Cuts ran as deep as 25 per cent. The movement did not spread to Canada for manufacturers by means of co-operative effort were able to resist what they considered a vicious and unwarranted development. Large merchandisers such as T. Eaton Co. which market tires under their own special brand names, also are reported to have co-operated in Canada and assisted in maintaining a fair price and offsetting a price war.

Prices Not Maintained

But during the year difficulties are said to have arisen within the business and sellers such as Eaton's which had issued their mail order prices in good faith in an effort to maintain the business on a reasonable level, found themselves undercut from various quarters. This claim is denied, however, by makers of "standard" brands, who say that if any undercutting occurred it must have been by an irresponsible group beyond the control of recognized manufacturers.

This year when Eaton's came to fix a selling price for tires in their spring and summer catalogue they are said to have felt it imperative to go their own way. The result is that the new prices as shown in the catalogue just issued are roughly 15 per cent below last year's level, which brings them something like 30 per cent below official "list" prices of leading manufacturers.

Raw Materials Cost More

Just what will happen is difficult to forecast. For one thing prices of raw material are now on the upturn and in the United States for instance an increase in prices of roughly 3 per cent was announced only last week. It must be remembered of course that this increase is from the low level of 1933 prices, a level which (comparatively) was not reached by Canadian tire manufacturers. Within the past calendar year crude rubber prices alone have increased 178 per cent and raw cotton prices are higher by 70 per cent. Uncontrollable items are said to be higher by 16 per cent and taxes 11.4 per cent, during 1933.

Mass Buying Not Blamed

One manufacturer in discussing the matter with The Financial Post expressed the very frank opinion that he did not believe the "mass buying" of a large organization such as the T. Eaton Co. was responsible for the present situation. In fact he went so far as to praise that company's buying policy as reflected in their action a year ago in co-operating with manufacturers to support a price level commensurate with the cost of materials and standard of living in this country.

Manufacturers of "standard" brands contend that they do not attempt to meet the price level of a mail order house such as the T. Eaton Co. They point to their heavy investment in dealer outlets and contend that the additional service offered by their organization is justification for the spread in prices which has existed.

Flour Exports Are Dwindling From Canada

From every point of Canada—the far West and the far East, inland points of the western prairies as well as ocean ports and the great centres of trading—comes information that export orders for flour are lagging badly because of the very low prices at which France, Germany and Italy are selling their bounty-fed flour in Great Britain. This haste to get rid of the surplus of these three European countries also led mills in the northwestern area of England, including Liverpool, Manchester and as far north as Carlisle to close down for a week recently. A heavy backing-up of flour inventories was given as the reason of this holiday and the bounty-fed imports as chief cause of the unsold surplus.

Importers, however, tell British millers that they have no right to object to bounty-fed flour from Europe because they benefit also from bounty-fed grain and so enable themselves to undersell flours from Canada, Australia and other producing countries. How important this flour movement has become is shown by the fact that French exports of flour to the United Kingdom have grown from 440,000 cwts. of 112 pounds each in 1932 to 1,397,000 cwts. in 1933.

EATON'S RESEARCH BUREAU
Tests Materials for Men's Suits

These reproductions of photographs taken in EATON'S Research Bureau laboratory, give an idea of the care exercised in selecting materials for men's Eatonia, Birkdale and other EATON branded lines of men's suits.

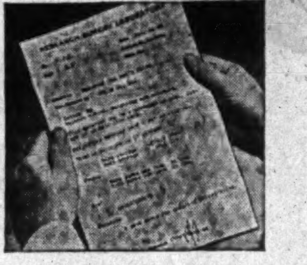
TORSION BALANCE:—Small, standard-size pieces of material are cut with a die and then weighed in the Torsion Balance, which registers the weight, per yard, of the goods.

TENSILE STRENGTH MACHINE:—Samples are also put in the Tensile Strength Machine, which proves the strength of warp and weft, so that we may judge the strength of the fabric.

CHEMICAL TEST:—How much wool? How much cotton? Is it all wool? Here we boil a weighted sample of the material, using a chemical that dissolves the wool and leaves any cotton behind.

DRYING OVENS:—Any cotton remaining from the chemical tests is well washed and then dried in these electric ovens. This takes out all the moisture, leaving only the cotton content.

CHEMICAL BALANCE:—The cotton residue is then carefully weighed in these super-sensitive scales. From the weight so obtained, it is easy to calculate the wool and cotton in the material.


THE REPORT:—From these tests, a report is made, which gives the department buyer full information as to the quality of the goods, thus enabling him to select only the best values.

The illustrations are typical of the continual analyses of the substance and quality of all sorts of merchandise sold in EATON Stores. The Research Bureau is guardian of Customers' satisfaction and EATON integrity.

THE T. EATON Co LIMITED

OTTAWA MAY YET CHANGE ANNUITY RATE

(Continued from page 1)

in 1933 was given at $533,673, although it was pointed out that the wording of the report made the facts difficult to understand.

Officials of the branch explain that this figure is too high. The combination of figures printed in The Post showed that $289,435 was transferred to maintain reserve—this being a gift from the treasury. In addition another sum of $184,238 was recorded as "to be transferred to maintain the reserve." The report should have made clear that this was the loss for the year ending March 31, 1934.

The branch arrives at the amount necessary to be transferred to maintain reserve after the close of each year. The $289,435 was the amount discovered immediately after the close of the year 1931-32 and it is properly included in the year 1932-33, covered by the last report. The sum of $184,238 belongs to the current year.

The loss of the branch, therefore, in the year 1932-33 was $289,435 plus $60,000 for administration or $349,435. The loss in the year 1933-34 will be at least $100,000 lower.

Actual Rate Computed

The branch actuaries have figured out the precise interest rate which would have been required to meet the costs, exclusive of administration. Bearing in mind the level of interest on government bonds, from year to year, it will be seen that the funds of the branch might easily have done better than meet all charges.

The record is as follows:

	%		%
1914	4.08	1924	4.77
1915	5.09	1925	4.00
1916	4.89	1926	4.00
1917	4.03	1927	4.00
1918	4.94	1928	4.00
1919	5.20	1929	4.66
1920	4.00	1930	4.00
1921	5.35	1931	4.34
1922	5.07	1932	4.67
1923	4.79		

Inclusion of administration charges in these percentages, according to the officials, would mean only a fractional increase. The average cost of the annuities in these eighteen years was 4.52 per cent.

The largest Canadian copper-gold mine is using a Sorel Steel bowl liner for their cone crusher.....

And, what is more to the point, it has given a longer wearing life than any previously imported castings of this type.

This 7'6" Cone Crusher is essential in maintaining constant production, and any decision given by the operating staff is naturally based on confidence in the wearing parts ordered, and we have proven our ability to give them satisfaction.

We can give the same dependable service to any Canadian mine.

Sorel Steel
FOUNDRIES LIMITED
SOREL [illegible] QUEBEC

SOREL, P.Q. Dominion Sq. Bldg., MONTREAL
170 Bay St., TORONTO

The Nation's Business

(Continued from page 1)

time in many months with a few good orders on its books. Agitators convinced employees of the plant that with business picking up, the time was ripe to strike for higher wages and also for recognition of a so-called "union." To recognize this "union" would mean virtually handing over control of labor conditions in the plant to the agitators, who care nothing for this plant, nothing for its employers, nothing for Kitchener,—who seek only to set up a new social system.

The employer stood firm and closed the plant rather than yield his ground. In the meantime, both parties stand to lose by inability to fill orders currently on hand.

Although it may often mean personal sacrifice it is to be hoped that employers and the sound element in labor will continue to stand firm against this type of agitation whenever it raises its head in Canada. Industrial relations between employer and employee in Canada during the past four years have been exceptionally happy despite the rigors of world depression.

It is encouraging that the official representatives of organized labor in Canada are doing their best to prevent the spread of discord and strife by elements which have no proper place in the industrial fabric of this country.

Footnotes to Ottawa

An Occasional Department of Comment on the Background of Governmental Activities in the Nation's Capital

From Our Own Correspondent

New Political Magazine

NEXT month a monthly magazine entitled, "Canadian Politics," will be born. The new magazine has been announced in an attractive leaflet and is strongly recommended as an independent review of current opinion. It is believed the publication is being encouraged by the Conservative party.

* * *

Arbitrary Valuations Annulled

ALTHOUGH a decision has not yet been announced it is regarded as inevitable that the Tariff Board will rule against the arbitrary valuation imposed upon the importation of felt hats from Great Britain. Ever since the board delivered its initial judgment on the jute twine appeal, last October, there have been piling up a succession of judgments against these valuations.

The felt hat appeal arose last week when a firm of Toronto importers appealed to the board for the cancellation of the Government's order of August, 1931, imposing a write-up of $1.50 per dozen on British hats. The justice department, presided over by Hon. Hugh Guthrie, member for South Wellington, was represented at the hearing by F. P. Varcoe, one of the law officers of the Crown who argued in defense of these arbitrary valuations.

The argument differed very little from those which have preceded it and which have been summarized at length in The Financial Post. The Lancashire Fur Felt Company, of Guelph, Ontario, sent representatives seeking the retention of this additional protection against British firms. The Guelph company is also applying for higher tariffs against Britain and hopes that the arbitrary valuation will not be disturbed until after the ordinary tariff has been jacked up.

* * *

Think Guthrie Optimistic

THE speech of Mr. Guthrie at Toronto on February 16, in which he declared that the budget would be balanced this fiscal year, has sent most of the politcal mathematicians to work with paper and pencil. Mr. Guthrie, judged by the latest figures on revenues and expenditures, is unduly optimistic. Just the same, the improvement in trade has made for more buoyant revenues and the deficit is shrinking steadily. Instead of being some $50,000,000 down on current account, the Government may face parliament with a shortage of less than $30,000,000.

* * *

Buffalo Wheat Route

WHETHER or not the Buffalo route has yet been opened to exports of Canadian wheat to Great Britain is still a moot point at Ottawa. New York grain interests recently announced that a test shipment succeeded and that the machinery for mass export to Britain was now in existence. The Ottawa authorities have not been able to confirm this report and still regard the position as doubtful.

EXPECT EARLY TARIFF MOVE BY ROOSEVELT

(Continued from page 1)

head of the Agricultural Adjustment Administration but now designated as chief adviser on foreign trade policies to President Roosevelt.

While features of the central plan come from many sources, all those at work upon it have accepted the chief purposes outlined above as the goal, since they are the objectives Mr. Roosevelt outlined to them. Such differences as remain upon the programme, as a result, have to do with method and personalities rather than the principles involved.

The gradual revelations of the trading aims of the President as made in recent weeks, has inspired many expressions of surprise and a good deal of opposition in the United States, yet they do not deviate at all from the plans he has supported in the past.

President's Aim

In his message to the opening session of the present Congress he said: ". . . all of us are seeking the restoration of commerce in ways which will preclude the building up of large favorable trade balances by any one nation at the expense of trade debits on the part of other nations." Similarly he has voiced opposition to trading methods which require transfers of large sums of gold in international settlements. Identically the same aims are involved in his present moves.

Within the Commerce and State Departments detailed studies are now being made of all the factors which go to make up favorable and unfavorable balances between the United States and other countries. It is the presidential view that conditions of unbalance, when found, should be corrected through increased purchases by the country that is on the low side. Through such a method, and the proposed export control organization would attempt to apply the principle, rather than by cutting down on the high side, Mr. Roosevelt hopes to bring about a net increase in the volume of international commerce.

Canada's Trade Balance

One such study is now being made in connection with the adverse trade balance of Canada with the United States, and recognition is being given to the large part of this total which is made up of debts of the Dominion payable in New York. None of the findings reached have been revealed but it is known that most of the experts at work have accepted the view that large exports of whisky by the Dominion this year and next will tend to keep trade in approximate balance without any artificial steps being taken.

Among the most striking features of the trade programme is that the President hopes to base most of it upon bi-lateral agreements, instead of attempting the simpler thing of balancing all exports with imports. He has held to this purpose even though experts have insisted that it is impractical, if not impossible, because he believes that foreign commercial negotiations must be conducted in terms of "old-fashioned Yankee horse trading."

No Triangular Trade

The argument is also advanced that it is impossible to figure realistically upon potentialities of triangular trade, so long as quotas and embargoes are being used widely as implements of national policy in efforts to control external trade. Although certain obvious exceptions will have to be admitted, Mr. Roosevelt believes that the volume of sales by the United States to any given country should also set the measure for purchases by the United States from that country.

One of the chief difficulties connected with the plan involves the question of who will direct the foreign trade control body when it is set up. Mr. Peek advocated creating a new organization by combining the consular service, now a division of the State Department, with the foreign trade division of the Commerce Department and also some units of the Agriculture Department. This agency, he urged, should be made a clearing house not only of information but of trade itself and should be given authority to achieve the goal of balance. He visioned himself as head of the body.

On the other hand, while ready to accept a large part of this scheme, Secretary of State Cordell Hull thinks that the agency of barter—if there is to be one—should be within the State Department; that he should be its head, and that his branch of Government should not be robbed of the consular service.

Shawinigan Opens Rapide Blanc Unit

From Our Own Correspondent

MONTREAL—Shawinigan Water and Power Co. has brought into operation the first of four 40,000 h.p. units to be installed at the Rapide Blanc plant on the Upper St. Maurice River. It had been expected that the plant would not be brought into production until somewhat later in the year, but as the work has been well ahead of schedule the first unit started delivery power at two-thirds of capacity last week-end. The power is delivered to Grand-'Mere over a 200,000-volt transmission line.

This additional power will be readily absorbed by Shawinigan. For several months past the demand for the company's primary and secondary power in its territory has shown a substantial increase. The newsprint, asbestos and other industrial users have been taking larger quantities, while retail distribution has been growing steadily.

Sarnia Bridge Shows Loss Working Capital Reduced

Sarnia Bridge Co. had a net loss of $28,494 in 1933, practically half of the net loss of $56,083 shown in 1932 when $23,601 was written off for bad debts. The company carries forward a deficit of $79,615 into 1934. Working capital is reduced to $36,841 from $65,430. Cash is down to $467 from $576; accounts receivable to $13,040 from $16.090 and inventories to $43,844 from $57,996. Bank loan is up to $17,200 from $5,298 and accounts payable are unchanged at $3,475.

Property and plant are carried at $459,027 subject to depreciation reserve of $121,498 on buildings and equipment. This reserve has shown no increase since 1929. There remain outstanding 12,000 shares of class A cumulative preferred stock on which no dividends have been paid since 1931, and 15,000 shares of class B stock.

OFFER 400,000 ARDEEN SHARES FOR SUBSCRIPTION

Blocks, Netting Company 10 and 15 Cents, Offered at 50 Cents a Share

WAS MOSS GOLD

Henry G. White, Ardeen President, Has Options on Entire Treasury Stock

Shares of Ardeen Gold Mines, formed to acquire assets of Moss Gold Mines, which got into financial difficulties last year, are being offered to the public at 50 cents a share. All told, 400,000 shares are available. The company's treasury received $47,500, or an average of 11.875 cents a share, for the stock that is being offered at 50 cents a share, it is understood.

A block of 300,000 shares is being offered by C. I. Coulter & Co., Rittenhouse, Hamilton & Co., and Stratton Hopkins & Hutson, all members of the newly enlarged Toronto Stock Exchange. This block of stock comprises 250,000 treasury shares alloted to Henry G. White, of Rochester, N.Y., Ardeen president, who advanced $25,000 cash to facilitate the formation of the new company, and 50,000 shares taken up by Mr. White at 15 cents a share, it is understood.

Another block of 100,000 shares has been underwritten by A. E. Brodie, Toronto, at 32½ cents a share from Geo. A. Reynolds, Montreal, The Financial Post is informed. This block was originally taken up from the company at 15 cents a share by President White, it is learned.

Capital Detailed

Ardeen Gold Mines has an authorized capital of $3,000,000 in $1 shares. Of this, 1,416,667 shares were outstanding early this week, The Financial Post is informed. Of the outstanding shares, 700,000 belonging to shareholders and creditors of the former Moss Gold Mines, now in liquidation, are tied up in a two-year pool. Another 300,000 shares, issued to Moss Gold creditors are under option to Ardeen president, Henry G. White. Mr. White also has options on the entire remaining treasury stock, and has taken up 250,000 shares at 10 cents and 166,667 shares at 15 cents, it is learned on good authority.

Details on Ardeen's capitalization and of Mr. White's options on stock are as follows:

Capital and Options on Stock Ardeen Gold Mines

Authorized Capital .... 3,000,000 shs.
Outstanding Feb. 20, '34 .... 1,416,667 shs.

Issued Capital Stock

Shares
*588,784 to sh'holders Moss Gold.
†411,216 to creditors Moss Gold.
250,000 at 10c. to H. G. White.
166,667 at 15c. to H. G. White.

Optioned Treasury Stock

83,333 at 15c. to H. G. White.
500,000 at 20c. to H. G. White.
250,000 at 25c. to H. G. White.
250,000 at 30c. to H. G. White.
250,000 at 35c. to H. G. White.
250,000 at 40c. to H. G. White.

* All pooled for two years.
† Of creditor's shares, 111,216 are pooled for two years. Of the other 300,000 shares, H. G. White and associates have an option to buy 100,000 at 25c. each, 100,000 at 30c. a share each and 100,000 at 35c. a share each.

Mine Producing

Ardeen Gold Mines is a producer, as was the financially embarrassed predecessor Moss Gold Mines. Last earnings statement for Moss Gold, for the 12 months to March 31, 1933, showed bullion production of $267,381 and operating expenses of $307,823, leaving an operating loss of $40,442. However, the price for gold is now higher than that realized during the period mentioned, and would have increased income substantially.

Officers and directors of Ardeen Gold Mines are: Henry G. White, president; A. R. Miller, Jr., vice-president; J. J. McInerny; Claude Ludington, all of Rochester, N.Y.; W. A. Williams, secretary-treasurer; C. G. Greenshields, both of Montreal; N. O. Lawton, general manager, Kashabowie, Ont.

Granada Output Rises; Profit $12,000 Monthly

Granada Gold Mines, according to a progress report from the president, is maintaining a production rate of over $35,000 per month, as against $18,000 during the month of November. Net operating profit is estimated at $12,000 per month on the basis of the present production.

The mill is handling between 102 and 110 tons daily, and the heads, at the current gold price, are averaging about $11 per ton.

The bulk of the mill ore is being drawn from development faces in various sections of the mine. As soon as data on the four lower levels of the mine can be collected, the management will consider enlarging the present mill capacity.

Expect St. Jerome to Pay Some Interest This Year

Emile Morin, secretary of the Quebec Municipal Commission, advises that it is probable that the village of St. Jerome, Lake St. John County, Quebec, will be in a position to effect a payment on past due interest coupons this year.

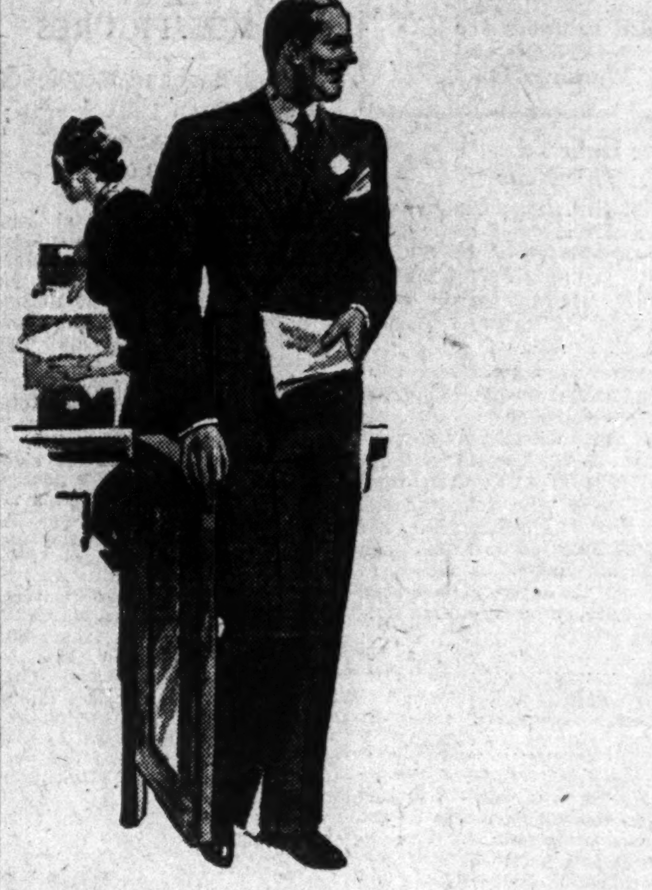
The village has been under the jurisdiction of the commission since November, 1932. It has been unable to collect sufficient taxes to meet current expenses. The majority of the population is composed of laborers and lumbermen who have not worked for about two years with adverse effects on tax collections. Most of the inhabitants are said to be living on direct relief.

NOTWITHSTANDING

that experience has proven failure to make a Will one of the greatest mistakes a property owner can make, many neglect this duty. If you have no Will there is a possibility of trouble and loss for your heirs, which you can prevent by taking proper precaution now. Consult your Lawyer and our Estates Department. He will draw your Will—we will act as Executor and Trustee.

Montreal Trust Company
TORONTO OFFICE:
61 Yonge Street, Toronto
J. F. Hobkirk, Manager

Facilitating Canadian Trade and Commerce the World Over.
Head Office Montreal
BANK OF MONTREAL
Established 1817
MODERN, EFFICIENT BANKING SERVICE
. . . the outcome of 116 years' successful operation . . . .



THIS Spring
Have it Custom-tailored
at SIMPSONS

At Simpsons, the custom tailoring of your suit is an art. Every phase of it from cutting to finishing, is done by a specialized craftsman. You'll notice the difference at once—not only in the hand-needled lapels, but in the comfortable fit, the correct drape of the coat, the trimness of the trousers. Prices begin at $50.

THE ROBERT SIMPSON COMPANY LIMITED

HOLDERS OF SECURITIES OF
Dairy Corporation of Canada Limited
are invited to write or telephone us for information of interest to them.
R. N. BRYSON & CO.
Investment Securities
Bank of Toronto Bldg., Toronto WA. 1688-89

BURNS & CO. Limited

To the holders of the First Mortgage Sinking Fund 5½% Twenty-Year Bonds, Series "A"

The Bondholders' Committee again brings to the attention of Bondholders the vital importance of attending in person or by proxy the Meeting to be held at the Office of National Trust Company, Limited, in Toronto, on Tuesday, the 6th day of March, next, at 11.00 a.m.

It is essential in the interests of Bondholders that a QUORUM be present at this Meeting, as unless a quorum is present no business can be transacted and the Meeting will have to be adjourned, with all the delay and expense incidental thereto.

A number of Bondholders, including many large institutions, have signified their approval of the Reorganization, and the Committee very earnestly urges all Bondholders to send their proxies to any Office of National Trust Company, Limited, in Canada, without delay.

Proxy forms and any further information may be obtained from any of the Offices of National Trust Company, Limited, or from the undersigned.

BONDHOLDERS' COMMITTEE OF
BURNS & CO., LIMITED
D. P. WILSON, Secretary,
15 King Street West, Toronto.

21st February, 1934

Apprentice to President Is S. J. Hungerford's Record

Alger-like Career of New C. N. Head Covers 48 Years Experience in Canadian Transportation

Had any daring prophet in 1886 reminded young Sam Hungerford of the French Army axiom, that every private soldier carried in his knapsack the baton of a field marshal, and suggested that an apprentice's lunch box could hide somewhere in its interior the insignia of president of the largest railway system in North America, he would probably have replied with what was then the rejoinder corresponding to the modern youth's "Oh, yeah?"

Recently Samuel James Hungerford was appointed president of the Canadian National Railways System by an order of the newly created Board of Trustees. Since the retirement of the late Sir Henry Thornton, "S. J." has been the nominal head of the system, but without the title. It was generally regarded as only a matter of time, or until the transportation enquiry recommendations were put into effect, before he would be given the title of "president."

Knows His Job

Few railway men in Canada have gone more thoroughly "through the mill" than has Mr. Hungerford. His story is one of thoroughness in his job, of learning every phase of railroading from the days when, in 1886, he trudged along with his dinner pail to the Southeastern Railway shops in Farnham, Que., to start his railway career as an apprentice, who in due time became a machinist and from that start moved steadily on until in 48 years he had become head of the government-owned system.

Had Varied Career

It is a story of hard work at low pay during the early years. When fourteen-year-old Samuel Hungerford determined that he was big enough to do his share toward supporting the home of his widowed mother and of helping to provide the necessities and comforts for a sister who was, in the words of the 1880's, "in a decline."

It is a story of a boy, earning eight cents an hour for ten hours a day—$4.80 a week—who studied at home every night and carried his books to work with him that he might study still more at lunch hour when the other young fellows around the railroad shops were playing football or baseball or indulging in the various forms of horse-play or pranks to which young fellows were prone then as now.

It is a story of learning every part of railway mechanical work from the days of the old wood-burning locomotives to their modern giant successors, but it is a story which does not flow readily from the lips of the man who lived it. He is averse to talking much about himself; he will tell readily of the growth of the Canadian National Railways System; he will pour out unstinted praise of the men who have worked for him and with him during his more than forty-five years of railroad service, but he will not talk about S. J. Hungerford.

Man of Many Qualities

There are other men, however, men in eastern Canada and western Canada, who have worked for and with S. J. Hungerford who will talk about him. Old-timers of the railway shops many of them; they will tell how he revolutionized shop practices in western Canada in many ways; how he always encouraged the men who worked with him to develop new and improved methods of handling the locomotives which were ever increasing in size and weight. They will tell that every man who worked with him developed a high sense of regard and respect, because they felt that S. J. Hungerford knew the ropes and asked no man to do a thing he would not or could not perform himself. They will talk of him as "Mr. Hungerford"—not as "the boss" or "the big chief" and some of them—a select few, will refer to him as "S. J." But whether they are the intimate few or the wider circle, they will speak of him as a man of tenacity, a man who is quiet and efficient and who appreciates quiet efficiency in others.

Studied Every Job

Men who worked with him or for him in the Southeastern shops at Farnham; at Windsor Street station in Montreal; at Megantic and McAdam Junction in the east, or at Cranbrook, Calgary or Winnipeg in the west all tell the same story; that S. J. Hungerford moved up the ladder because he studied his every job thoroughly from the time he first carried his dinner pail into the shops at Farnham. In that dinner pail there was always a book or something to read, and the man who gave Mr. Hungerford his first lesson on the lathe and with the callipers is authority for the statement: "I never had to tell him or show him anything twice."

Self-Education Necessary

S. J. Hungerford was born at Bedford, Que., in 1872. His father died before he was through school, and at fourteen years of age, though his widowed mother urged him to continue his schooling, young Sam Hungerford insisted that he was going out to get a job. The Southeastern Railway shops at Farnham provided the job. It was, however, with a promise to his mother that he would continue his studies, that S. J. Hungerford began railroading, and that promise was faithfully kept.

Self-education was necessary, for the apprentices of 1886 did not receive the consideration and assistance from their employers that apprentices receive today—and incidentally, many of the improvements and practices of handling apprentices on the Canadian National Railways have been brought about under the jurisdiction of S. J. Hungerford.

Completing his apprenticeship, Mr. Hungerford became machinist, and as such he worked at various points in Quebec, Ontario and Vermont. His post office address has changed many times. In the course of his railway work, the postmen have found him at Farnham, Montreal, Megantic, McAdam, Cranbrook, Calgary, Winnipeg and Toronto, and for the past eleven years while he has been vice-president and acting president of the Canadian National System, his address has again been Montreal.

Pays Attention to Details

It is his minute and general attention to the problems of the railroad that has been responsible for his rapid promotion.

Plans for the mammoth engines which have created new speed records for the C.N.R. have all passed before the keen eye of this vice-president before they have been built. He examines all the specifications, for he understands engines better than most experts.

SAMUEL JAMES HUNGERFORD

Has Creative Ability

It is not generally known that one of the important inventions in steam engine development work was created by Mr. Hungerford himself.

The Hungerford super-heater was the outcome of a problem which faced this general superintendent of rolling-stock when he was attached to the Canadian Northern in Winnipeg in 1912.

It was impossible at this time to obtain a super-heater which could be applied equally well to all types of locomotives. To equip all these various classes of engines with super-heaters would have been a prohibitive expenditure. But Mr. Hungerford went quietly to work to produce a heater of the type that would be applicable to all engines at minimum cost. His super-heater proved an unqualified success and was immediately included in the Canadian Northern equipment; later the patent rights were acquired by a super-heater company.

As a figure, Mr. Hungerford is not apt to draw attention. He may walk through a room without attracting any notice, but those who have met him are not apt to forget his personality.

He is inherently honest, and his own interests are not more jealously guarded than those of the people of Canada. He follows to the letter rules governing disposition of favors from railway officials, and no expense is ever O.K.'d by his signature that is not open for the public to see. Even the curiosity of government ministers into expenditure of C.N.R. executives, failed to bring the name of S. J. Hungerford adversely into the limelight.

Railway rules declare that only unmarried children of officials may travel on passes, and it is this strict interpretation that this official makes in his own family. His private car is used when business of the company calls for it, and his living is as simple then as it is when he is home. When he is travelling over the system, he spends hours watching the roadbed, rolling-stock, and making mental note of equipment and condition of the track. Nothing is too small to escape his notice.

Does Not Like Display

Few men occupying a prominent place in Canadian business life are as simple in their tastes as Mr. Hungerford. This is well illustrated by the story of the interviewer who expressed surprise on learning that he drove his own car and never had a chauffeur. On being asked why he did not have a driver, S. J. replied: "No, never had one—didn't need one. I can drive myself."

This simplicity of character and lack of ostentation is one of Mr. Hungerford's greatest assets. It has enabled him to keep in close touch with the men in the shops, on the road or in the executive offices. The men who are responsible for the details in making smooth the working of a railway system embracing over 20,000 miles of tracks, feel that he is one of them.

Knows Both Sides

The close relationship between the operating head of the system and the employees, has been evidenced by the interest he takes in the welfare of those employed on the System. As he has said: "I know the working man's point of view and trust that I shall never forget my own long years of what is called the 'toiler's life'."

Friendly co-operation is the secret of gaining the goodwill of tens of thousands of employees. This is the belief of Mr. Hungerford, who further thinks that—

"The 'laboring' man is better off today than ever before in the world's history. Better air, better light, better food. Conditions all better. Tough times just now, of course—but they are not normal. The greatest advance has been in the average education of the workingman's family."

As to the future outlook Mr. Hungerford says:

"There are authentic evidences to the effect that we are at the bottom of our depression and that we have taken our place, steady and unvacillating, upon a fairly uniform line. Previously we were on a steadily descending line. Liquidation has to a distinct degree run its course. We should be on the upward trend. We need two things—constructive effort and higher confidence. Of this latter, there has been a return which will steadily increase."

IMP. TOBACCO INCOME IN 1933 TO BE LARGER

Expect Report Will Show Good Gain Over 1932 Returns

From Our Own Correspondent

MONTREAL.—Imperial Tobacco Co. of Canada's financial statement for 1933 is expected to make its appearance toward the end of this week.

While no official information is available as to what the report is likely to show in the way of earnings, it is expected that net profits for 1933 will be substantially greater than those of 1932 when the company earned $5,471,175.

One cause which is said to have contributed to the better showing was the more extensive use of Canadian tobacco.

Consumption Increased

The Excise Department reports from month to month on the volume of tobacco consumption in Canada would appear to bear out the statement that Imperial Tobacco's report for 1933 will show increased earnings.

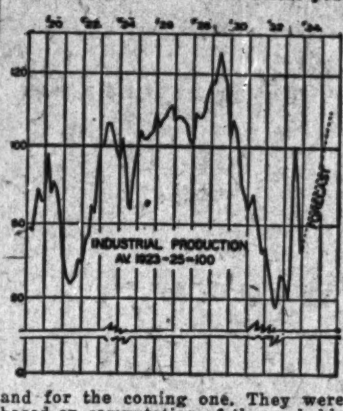
Taken as a whole, the consumption of tobacco in Canada last year was appreciably larger than in the previous twelve months and as Imperial Tobacco handles about 80 per cent of the tobacco industry in this country, it is anticipated that the wider use of tobacco last year will be reflected in the statement.

U. S. A. Officials Expect Very Sharp Business Gain

That the United States may anticipate one of the most rapid recoveries in industrial activity in its history during the next 18 months, is indicated by figures published this week by the Cleveland Trust Co. and which reveal the official estimate of probable business recovery mapped out by the Federal Reserve Board and on which President Roosevelt has based his estimates of federal income for the next two fiscal years.

The following paragraphs and the accompanying bulletin taken from the monthly letter of Cleveland Trust Co., tell the story:

"When the President sent his budget message to the Congress he included in it estimates of federal income for the rest of this fiscal year and for the coming one. They were based on computation of the probable volume of industrial production as estimated by the Federal Reserve Board. As a result we have an official forecast of industrial activity and output for the rest of 1934, and for the first half of 1935. The forecast may fairly be termed an optimistic one, and if the statisticians of the Reserve Board prove to be skilled prognosticators we shall have a rapid business recovery.



"The irregular line in the diagram shows the monthly changes in the volume of industrial production since the beginning of 1919. The index includes both factory output and that of mining, and it is probably our best record of changes in basic business activity. The average for the years 1923, 1924, and 1925 is taken as being equal to 100. The fluctuations in the line show the serious depression of 1921, the short recession of 1924, the long prosperity culminating in 1929 and the great depression of the 30's with the violent but brief recovery of last summer. The index is computed monthly by the Federal Reserve Board.

"The dashed line shows the official forecast beginning at 74 in January of this year, and running to 110 by the middle of 1935. This is an increase of two points a month for 18 months. We know that an advance of that rapidity is possible, for we experienced an even faster one last summer, and one of comparable rapidity from the bottom of the depression of 1921. Nevertheless it is probably true that we have never had in this country a durable recovery following a depression that succeeded in regaining and holding so great an advance in a year and a half as this forecast contemplates. It is interesting to note that its projected rate if continued for two years would lift business activity to around 1929 highs by the end of next year.

"The index of business activity maintained by this bank is based on this Federal Reserve index expressed in percentages above and below a computed normal level. On that index the rate of increase in this official forecast would amount to about two and a quarter points a month for 18 months, or 41 points in the year and a half. The recovery from the depression of 1921 amounted to 40 points in 19 months. The war demands of 1915 brought a gain of 27 points in 12 months. The recovery following the Civil War covered 24 points in 10 months. After the panic of 1837 there was a recovery of 27 points in 11 months. These are the most rapid durable recoveries we have experienced. We have no record of a recovery during the past 100 years in which business activity increased as much as 41 points in 18 months."

Melchers Distillers May Pay Off Arrears

From Our Own Correspondent

MONTREAL.—All or part of the arrears on the Class A shares of Melchers Distillers will probably be paid off this year, according to a statement made by Hon. Victor Marchand, president, at the annual meeting of the shareholders. The company, the president further stated has refused to avail itself of the opportunity to establish a subsidiary across the line, but instead is making an aggressive effort to sell its products direct to the various distributing agencies provided and on practically a cash basis.

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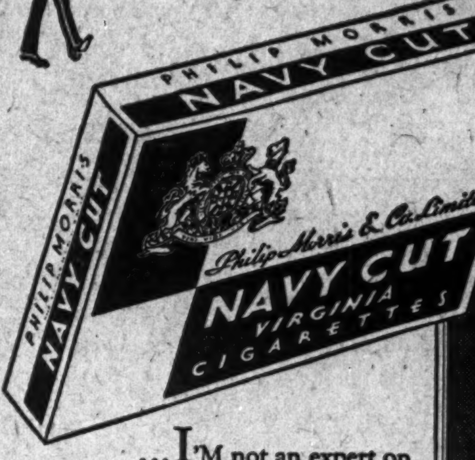

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. . . I'M not an expert on Cigarettes, but I do like Philip Morris Navy Cuts. I like the smart royal blue and gold package they're put up in. I like the way the Cigarettes are made—round and firm—each one fully packed. And I like the way they smoke—mild, cool and sweet. They're as fine a Virginia Cigarette as you could wish for—and yet a package of 25 costs only a quarter.

P41R

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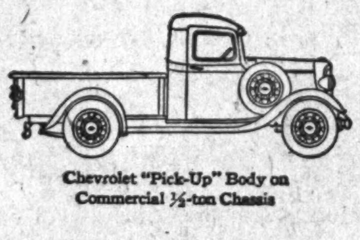
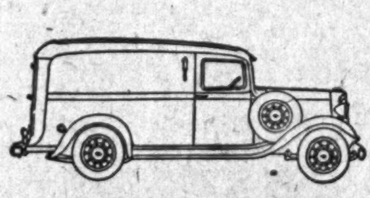
Now . . . a Smarter, Sturdier Line of Trucks from CANADA'S GREAT SALES LEADER!

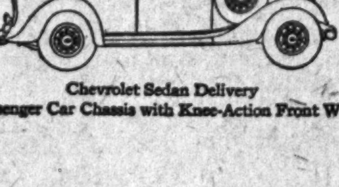
Chevrolet "Pick-Up" Body on Commercial ½-ton Chassis



Chevrolet Standard Panel Body on Commercial ½-ton Chassis

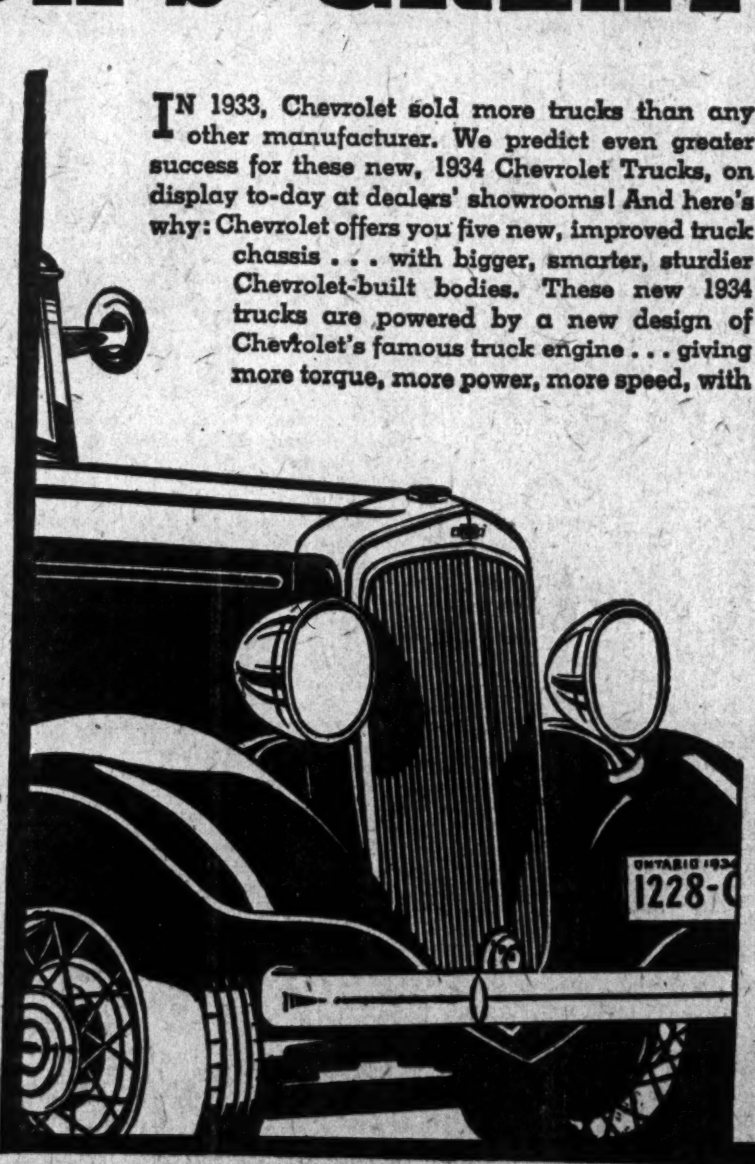


Chevrolet DeLuxe Panel Body on Commercial ½-ton Chassis



Chevrolet Sedan Delivery on Passenger Car Chassis with Knee-Action Front Wheels

PRODUCED IN CANADA

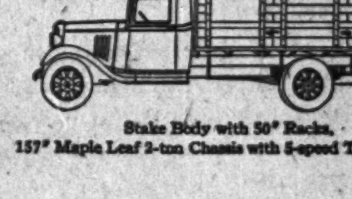


IN 1933, Chevrolet sold more trucks than any other manufacturer. We predict even greater success for these new, 1934 Chevrolet Trucks, on display to-day at dealers' showrooms! And here's why: Chevrolet offers you five new, improved truck chassis . . . with bigger, smarter, sturdier Chevrolet-built bodies. These new 1934 trucks are powered by a new design of Chevrolet's famous truck engine . . . giving more torque, more power, more speed, with even greater economy. Frames and axles—transmissions, clutches and brakes—are truck-built and greatly improved. And the Chevrolet cabs are roomier and more convenient. See these new, 1934 Chevrolet Trucks—learn the typically low Chevrolet prices—today! You will agree that here is something new in the truck field . . . a bigger, sturdier low-priced truck—handsome, fast—and a record-breaker for economy!

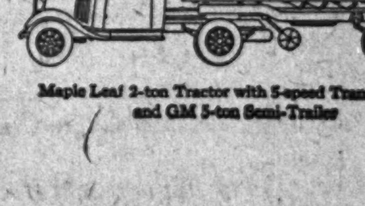
FIVE NEW CHASSIS
½ to 5 ton capacity
BIGGER BODIES
INCREASED POWER
MORE TORQUE
STRONGER FRAMES AND AXLES
STURDIER APPEARANCE

Chevrolet Canopy Express 1½-ton Truck

Utility and Grain Body, 131" Maple Leaf 2-ton Chassis with 5-speed Transmission



Stake Body with 50" Racks, 157" Maple Leaf 2-ton Chassis with 5-speed Transmission



Maple Leaf 2-ton Tractor with 5-speed Transmission and GM 5-ton Semi-Trailer

CHEVROLET TRUCKS
CHEVROLET
GM GENERAL MOTORS PRODUCTS

Utilities and Transportation

N. B. TELEPHONE INCOME IN 1933 UNDER DIVIDENDS

Notes Payable Are Reduced $115,000 — No Action on Debentures

From Our Own Correspondent

MONTREAL.—Though earning power of New Brunswick Telephone Co. in 1933 was slightly under dividend requirements, the company was able to reduce its bills payable by over $100,000, with the result that it has been decided not to take action with regard to proposed debenture issue at present.

The first nine months of last year's operations showed a shrinkage in volume of traffic and profits, but in the last quarter of the year, there was a definite improvement with toll traffic better and a smaller loss in telephones installed.

Drop in Gross Income

For the full year, gross revenue amounted to $1,214,672 compared with $1,318,350 for 1932. Net earnings available for dividends totalled $263,884, as against $305,916 in the previous year. After making provision for dividends, there was a deficit of $610 which would have been larger had it not been for a reduction in the dividend rate on the capital stock.

Particulars of the profit and loss accounts for the past two years follow:

	1933 $	1932 $
Gross Revenue	1,214,672	1,318,315
Oper. Expenses	957,384	1,015,986
Net Revenue	257,288	302,329
Add: Other Income	5,822	......
Profit on Sec.	774	3,587
Net Profit	263,884	305,916
Less Dividends	264,274	303,933
Surplus	*610	1,983
Brought Forward	60,244	61,669
Less Tax Adjust.	2,396	3,408
Carried Forward	57,458	60,244

* Deficit.

Reduce Floating Debt

At the end of last year, New Brunswick Telephone Co.'s balance sheet showed assets totalling $7,203,282 compared with $7,180,845 at the close of 1932. The principal change among liabilities is a reduction in bills payable from $790,000 to $675,000.

The reserve for depreciation has been increased from $794,794 to $954,332.

Capital stock outstanding, premium on capital stock, and other items among liabilities are unchanged or show neither increases or decreases from those reported a year ago.

There were no changes of any particular importance among the assets.

Board of Directors Larger

At the annual meeting of the company, the old directors were re-elected, while the board was increased from 12 to 15 by the election of three new members—W. J. Kent, Bathurst; Hon. George B. Jones, M.P., Apohaqui, and J. E. Michaud, M.P., Edmundston. Officers were re-elected as follows: President, Senator Black; vice-presidents, J. E. Macpherson, Montreal, and Howard P. Robinson, Saint John. Additional members of the executive committee elected were F. R. Sumner, Moncton, and N. Marks Mills, K.C., St. Stephen, the latter a new member of that committee. R. E. Cox, N. E. Moore and O. J. Fraser, all of Saint John, were reappointed auditor, secretary-treasurer and general manager, respectively.

Vancouver Shipping Grows

Shipping at the Port of Vancouver showed a favorable increase in January, 1934, when 110 deep sea vessels with net tonnage of 435,172 arrived, compared with 100 vessels having a net tonnage of 383,761 in January, 1933.

Public Utility Earnings

B. C. POWER

	1934 $	1933 $	Inc. $
January—			
Gross	1,138,971	1,135,624	3,347
Expenses	708,651	735,606	*26,955
Net Earns.	430,320	400,018	30,302
Seven months end. Jan. 31—			
Gross	7,431,730	7,669,563	*237,833
Expenses	4,989,803	5,287,398	*297,595
Net Earns.	2,441,927	2,382,165	59,762

* Decrease.

SOUTHERN CANADA POWER

	1934 $	1933 $	Inc. $
January—			
Gross	192,074	187,597	4,477
Expenses	69,716	64,554	5,162
Net	122,358	123,043	*685
	1934 $	**1933** $	**Inc.** $
Four months—			
Gross	747,576	751,180	*3,604
Expenses	268,024	256,365	11,659
Net	479,552	494,815	*15,263

* Decrease.

Made Chairman

PAUL J. MYLER

President of the Canadian Westinghouse Co., of Hamilton, has just been elected chairman of the company to succeed the late H. H. Westinghouse. Mr. Myler will retain the presidency.

MONT. ISLAND POWER PROFITS ARE MAINTAINED

Water Conditions Continue to Constitute Problem for Company

From Our Own Correspondent

MONTREAL. — Montreal Island Power Co.'s gross revenue for 1933 amounted to $764,936, compared with $756,989 in the previous year. A sharp reduction in operating expenses, which is partially offset by an increase in fixed charges, however, left a larger surplus to be transferred into depreciation reserve.

Operations last year were satisfactory, though the company experienced great difficulty in regulating the level of the river to avoid damage and at the same time to develop sufficient power to meet contract requirements. The flow of the Back River, on which the company's plant is located, varies from 95,000 to 13,000 cubic feet per second, consequently at times there is too much water, with resultant floods, and other times insufficient water with the result that there are deficiencies in power to meet contract commitments.

Surplus to Depreciation

Particulars of the profit and loss income accounts for the past two years follow:

	1933 $	1932 $
Gross Revenue	764,936	766,989
Expenses	120,226	170,466
Net Revenue	644,710	596,523
Fixed Charges	561,925	513,480
Bal. to Deprec.	82,785	83,043

There is no marked change in the balance sheet position as at the end of 1933 compared with the same date a year ago. Assets at $10,944,180 are $472 less than at the close of 1932.

The outstanding funded debt remains unchanged at $9,250,000. During the year bills payable amounting to $90,000 were cleared off, leaving current liabilities at $108,677 compared with $191,935 at the end of 1932.

Fixed assets are shown on the balance sheet at $10,818,327 or about $2,000 more than a year ago. Cash, accounts receivable and investments are practically the same as a year ago, while deferred charges have been reduced from $11,189 to $9,447.

During the year unamortized discount of $605,000 on the first mortgage bonds of the company was capitalized.

Southern Canada Power Net Earnings Under 1933

From Our Own Correspondent

MONTREAL. — Though there was some improvement in the gross earnings of Southern Canada Power Co. during January last, compared with the same month a year ago, net earnings continue to show a decline. Gross income in the last month was $192,074, operating expenses $69,716 and net earnings $122,358. For the same month in 1933, gross earnings totalled $187,597 and net earnings $123,043.

Cumulative returns for the four months of the fiscal year ended January, 1934, show gross income of $747,576, or $3,604 less than for the same period of the preceding year. Operating expenses increased $11,659, so that net earnings for the past four months amounted to $479,552 or $15,263 less than in the same period ended with January, 1933.

Depreciated Bonds

THE senior obligations of a number of industrial corporations are today selling at prices substantially below par, due to reduced earnings over the past few years experienced by these companies.

Nevertheless, interest payments have been met and paid regularly, and with improving business conditions, should be maintained . . . in which case improvement in the price of these bonds may reasonably be expected.

At current low prices, the income return on these depreciated bonds is generous.

We shall be glad to furnish details of such issues upon request.

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NATIONAL TEL. GROSS REVENUE UP 32 PER CENT

Associated Telegraph Unit Adds $59,700 to Surplus

From Our Own Correspondent

MONTREAL. — National Telephone Co., controlling B. C. Telephone Co. and other properties, reports an increase of 32 per cent in its gross income in 1933 compared with that shown in the 1932 statement.

Gross revenue totalled $471,273 compared with $355,823 in 1932. The same percentage increase applies to net revenue, which advanced from $295,140 to $392,238.

During the past year the company paid regular dividends on its preferred stock and $3.50 a share on the class A stock. No dividends were paid on the common stock, all of which are owned by Associated Telegraph and Telephone Co.

Larger Surplus Shown

Particulars of the income account follow:

	1933 $	1932 $
Gross earnings	471,273	355,823
Deduct: Op. exps., taxes & int. charges	79,035	60,683
Net income	392,238	295,140
Deduct: First Pfd. Dividends	192,500	192,500
Class "A" Dividends	140,000	140,000
Common Dividends	......	23,333
Surplus transferred	59,738	*60,693
Add: Surp. beg. of yr.	113,869	174,562
Surplus forward	173,607	113,869

* Deficit.

The balance sheet at the end of 1933 in comparison with the same date in 1932 does not show any marked change in assets being valued at $7,097,261 as against $7,030,849.

Increase Capital Surplus

Issued preference and Class "A" stock remains unchanged. It is noted, however, that the value given to the common stock has been written down to $550,000 from $800,000, and the difference added to capital surplus, which now stands at $1,512,218.

Current liabilities are much the same, the principal item being $69,402 owing to controlling interests.

Investments in subsidiaries now stands on the books at $6,942,635, or roughly $10,000 more than a year ago. The amount due from subsidiaries is slightly larger at $93,596, while cash on hand shows an improvement.

B. C. Power Earnings Move Up in January

From Our Own Correspondent

MONTREAL.—A marked improvement in earnings of B. C. Power Corp. is revealed in the interim report for January last. For the first time over a considerable period, gross earnings showed an increase over the corresponding month for the previous year. The January, 1934, gross earnings amounted to $1,138,971, an increase of $3,347 over the same month a year ago. Operating expenses were up $26,955, leaving net earnings at $430,320 compared with $400,018 in January, 1933, an increase in net for the month of $30,302.

For the seven months period ended January 31, cumulative gross earnings showed a reduction of $237,833, but this reduction is considerably more than offset by lower operating expenses, which were $297,595 lower than for the corresponding seven months period of last year. Net earnings for the seven months totalled $2,441,927, a gain for the period of $59,762.

Montreal Power Share Distribution Unchanged

From Our Own Correspondent

MONTREAL.—Little change in the distribution of the Montreal Light, Heat and Power Consolidated shares is shown in the stock registered as of December 31, 1933.

At that date there were on the Canadian register some 31,808 holders compared with 31,795 at the end of September, 1933, and 31,927 at the end of December, 1932.

At the end of last year the Canadian register accounted for 3,894,232 shares, or 86.8 per cent of all outstanding. This compared with 86.7 at the end of September, 1933 and 87.5 per cent at December 31, 1932.

Holdings of bank and trust companies at 8.0 per cent were down slightly from the previous quarter, but above a year ago, while brokers' holdings at 229,063 shares, or 5.11 per cent, were unchanged from the previous quarter, but ahead of the 4.8 per cent shown for this classification a year ago.

New Westminster Talks of Producing Own Power

From Our Own Correspondent

VANCOUVER.—The city of New Westminster is considering plans for production of its own power. City officials have been instructed to obtain data on the subject.

It is suggested that power may be developed from an industrial plant on the Fraser River. A hydro-electric plant operating exclusively for the city is not regarded as practicable at present.

The city now buys power from B. C. Electric Railway at a wholesale price of 95 cents per kilowatt, although the entire distribution system is owned and controlled by the municipality.

Aldermen object to the rate charged, claiming that industrial plants receive a lower rate.

Air Traffic Heavier Clubs Expand Activities

Twenty air mail routes were in existence throughout Canada during 1933, eleven of these being established on a twelve-month basis. In January, 1934, the Fort Resolution-Great Bear Lake line was extended to Coppermine on the Arctic Ocean.

There were twenty-two light airplane clubs in the Dominion last year which had a total of 8,087 hours of flying during the first nine months of 1933, in which period 68 private and 18 commercial licenses were granted to members. Sixty-eight aircraft were in use, the total membership was 2,186 and 454 of these were reported taking flying instruction.

The Toronto Flying Club was the most active, with 1,090 hours to its credit, while the Edmonton and Northern Alberta Aero Club was second, with 639 hours for the nine-month period. Members of the Montreal Light Aeroplane Club, who organized during August their fifth annual air pageant, compiled 387 hours of flying. The Webster Memorial Trophy, awarded annually to the most competent amateur airman in Canada, was won for the second time in succession by a director of the Montreal Light Aeroplane Club.

Propose National Parks

The Nova Scotia Fish and Game Protective Association is taking steps toward the establishment of several national parks in the province, including one at Halifax. The matter is being taken up with the Department of the Interior at Ottawa.

Canadian Industries Income During Past Year Shows Substantial Gains

All Divisions Share in Larger Volume of Business

LARGER DIVIDEND

Prospects for Current Year Are Encouraging — Earn $4.63 a Share in 1933

From Our Own Correspondent

MONTREAL. — All operating divisions of Canadian Industries Ltd. experienced a more active year in 1933 than was the case in 1932, according to the annual statement.

After an unpromising start in the first quarter, conditions took a turn for the better. Up to the end of April the dollar volume of business was off nearly 20 per cent, but by the end of the year the company had converted the loss into a gain of 12 per cent over the figure reported for 1932.

Income from investments, after deduction of taxes at the higher rates prevailing, was 1½ per cent less than in 1932.

General Motors Dividend

Total dividends received on holdings of General Motors Corp. stock amounted to $1.25 a share, or the same as in the previous year.

No dividends were received in 1933 from the company's holdings in the Dunlop Tire and Rubber Goods Co. Under a 7-year agreement concluded as of May, 1932, Canadian Industries has undertaken to perform certain services for the Dunlop Company and considerable progress was made in 1933—the first full year in which the agreement was effective in reducing the loss on operations.

Net Earnings Higher

Net earnings from all sources last year, after providing for taxes and writing off over $550,000 for depreciation, were $3,430,475. This compares with $2,771,602 in 1932.

Earnings available on the common stock amounted to $4.63 a share against which dividends paid totalled $4.37½ a share. In the previous year share earnings amounted to $3.65 and dividends $3.75 a share.

Particulars of the income account for the past two years follow:

	1933 $	1932 $
Gross Earnings	3,430,475	2,771,661
Less: Dividends	3,258,373	2,839,391
Balance	172,102	67,730
Brought Forward	11,091,939	11,228,920
Less Tax Adjust.	45,417	69,251
Carried Forward	11,218,624	11,091,939

Asset Values Greater

At the end of 1933 Canadian Industries' balance sheet showed assets of $49,693,275, up from $47,807,243 a year ago. Current liabilities are larger by nearly $1,000,000 due to the larger amount of dividends declared and payable. Deferred liabilities also have increased by $244,000 to $278,610.

Reserves now stand on the books at $11,897,459. The only change of importance is the increase in depreciation reserve from $8,217,272 to $8,774,889.

Capital stock remains unchanged, while the surplus has increased to $11,218,624 from $11,091,939.

Cash Position Stronger

Examination of the assets shows an increase in cash on hand from $631,039 at the end of 1932 to $2,404,480 at the close of last year. Government securities are higher by more than $700,000 at $7,091,693. Other marketable securities have declined in value by about $500,000 to $1,345,094. Accounts receivable, reflecting a larger volume of business, have advanced from $1,610,340 to $2,510,949. Inventories, on the other hand, are lower by nearly $700,000 at $4,014,792.

Securities held for investment show a minor increase to $4,073,777, while securities held in trust for employees' welfare plans are down in value from $1,775,569 to $1,479,175.

Fixed assets show a moderate decline to $22,986,215, while goodwill, patents and franchises are carried at the same figure, namely, $3,566,048.

Review of Operations

In his report to the shareholders Arthur B. Purvis, president, said in part:

Cellophane Prospects Good

"The Cellophane Division made substantial progress during the last half of the year, and with favorable prospects for an increased volume of sales should henceforth yield a fair return on the investment. Plant extensions, more or less in accordance with original expectations, are in process of completion.

"A further increase achieved in volume of sales in the smaller Pyralin Division, which manufactures celluloid articles, was partially offset by an even greater degree of competition from low-priced imports from Japan and Europe.

Chemical Group Progress

"The activities of the three divisions comprised in this group, i.e. acids and general chemicals, salt and alkali and dyestuffs, fulfilled in satisfactory manner the promise anticipated for them in last year's report, though, as in the case of most of the other divisions, a downward tendency in selling prices was evident and had to be met by efforts to develop greater manufacturing and distribution efficiencies. In these efforts the improved volume of sales during the last half of the year was very helpful.

Open Copper Cliff Plant

"The Copper Cliff works for the manufacture of nitre cake, which reopened in August, contributed to a generally increased demand then being experienced for sulphuric acid. Two additional units were therefore started up at the Copper Cliff sulphuric acid plant, partly as a result of this increased demand and partly to offset the closing down of the obsolete chamber sulphuric acid unit at Hamilton, to the writing-off of which reference has already been made.

"This group shows every sign of expanding during the next few years.

Explosives Division Active

"By far the largest activity in the Ammunition Division is the manufacture of cartridges for sporting purposes. Game conditions being good, and selling-price reductions having restricted competitive imports still further, an unusually favorable sales volume was experienced.

"The increase in gold mining activity, along with a marked revival in the demand for blasting explosives during the second half of the year from metal mines and the logging industry in the west, enabled the Explosives Division to recover the ground lost early in the year. As soon as volume conditions permitted, and despite a tendency toward increased raw material costs, a resumption was made in the company's policy of reducing selling prices whenever and wherever practicable.

Fabric Lines Expanding

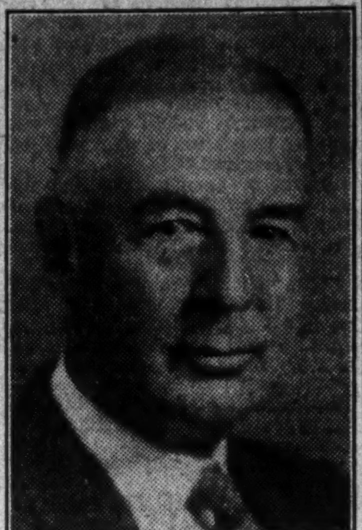
"In the Fabrikoid Division the progress made in recent years in developing new lines to offset shrinkage in the automobile demand, which is to an important degree due to the substantial elimination of the open car, was continued. A new bookbinding material which should provide an important addition to sales volume was added to the line.

"The Paint and Varnish Division again improved its position in the share enjoyed of the total available business, and it is felt that considerable progress was made in improving production and distribution efficiencies.

Fertilizer Group Advances

"Low prices of farm products again tended to restrict seriously the sales of fertilizers. Nevertheless considerable progress was achieved in making inroads on competitive imports of foreign superphosphate.

Trust Advisor



EDMUND F. BURRITT, K.C.

Recently appointed chairman of the Ottawa Advisory Board of the Toronto General Trusts Corp.

URGE FORMATION NEW CORPORATION TO CONTROL RADIO

Independent Stations Propose Body Representative of Operators

Independent radio stations, banded together in the Dominion Broadcasters' Association, passed a resolution at a recent meeting in Toronto urging the Government to disband the Canadian Radio Broadcasting Commission at April 30, 1934, when the act establishing the commission expires. They urge that the commission be replaced by granting a charter to a body to be known as the Canadian Broadcasting Corporation which would be given full powers over radio broadcasting in the Dominion.

Dominion Broadcasters' Association has 25 member stations located from Prince Edward Island to British Columbia. No newspaper-owned or commission stations are members of the association. It is an outgrowth of the old Canadian Association of Broadcasters which has not been functioning for two or three years.

Non-political Governors

No list of members has yet been published as some of the stations fear reprisals on the part of the present commission in case its life is extended beyond April 30, 1934, The Financial Post is informed.

Proposed set-up of the Canadian Broadcasting Corporation would be non-political. Five governors, representing each economic area, would administer its affairs helped by an honorary advisory committee of five in each of the nine provinces. At least one member of each of the provincial advisory committee would be a representative of a radio station.

License fees would be collected by the Department of Marine as at present but the cost of collection would be paid by the proposed corporation from a special fund into which these fees would be placed. or operated by the corporation and the present stations of the commission would be sold or leased to private operators. Individual stations would have the right to negotiate contracts for broadcast of religious service, political speeches, or other controversial subjects.

GURD'S REVENUE ON LOWER SCALE FOR PAST YEAR

Price-Cutting Has Adverse Effect on Earnings — Taxes Onerous

From Our Own Correspondent

MONTREAL. — Further reduction in earning power was reported by Chas. Gurd & Co., manufacturers of aerated water, the financial statement for 1933 showing a net profit of $15,162 as against preferred dividend requirements of $18,200.

In his report to the shareholders, Alexander Murphy, president, says that apart from the continued lack of public buying power, and excessive taxation, the year was adversely featured by a "vicious wave of unreasoned price cutting" and the severe and unexpected imposition of the sugar tax.

Change Distribution System

The company also has instituted certain major changes in the manner and method of sale and distribution. These changes have involved a "first" loss by reason of the disposition of discarded rolling stock. From results so far, said Mr. Murphy, it is confidently anticipated that improved customer service at considerably reduced cost will follow.

Particulars of the profit and loss account for the past two years follow:

	1933 $	1932 $	1931 $
*Net profit	15,162	26,196	136,550
Pfd. divids.	18,200	18,200	18,550
Com. divids.	....	72,000	120,000
Surplus	†3,038	†64,004	†2,000
Prev. surp.	207,798	274,119	280,724
Tax adjust.	....	2,317	4,605
Balance c.f.	204,761	207,798	274,119

* After providing for depreciation and allowance for income taxes.

† Deficit.

Working Capital Position

	1933 $	1932 $	1931 $
Curr. assets	300,902	283,160	345,188
Curr. liabs.	23,301	29,715	40,149
Work. cap.	277,601	253,445	305,039

Working Capital Ample

An examination of the balance sheet shows that the company has been able to maintain a satisfactory liquid position. At the end of 1933, assets totalled $1,608,435 compared with $1,584,698 at the end of 1932. Current liabilities are relatively small, while the depreciation reserve stands at $245,259 as against $212,072 in 1932.

No change has taken place in the outstanding preferred and common stocks, while the surplus is just over $3,000 lower at $212,761.

Among the assets the only change of interest is an increase in inventory values from $168,733 to $191,608. Property account shows a small addition.

Issue Booklet on Debts of Dominion, Provinces

A booklet giving particulars of direct and guaranteed funded debts of the Dominion of Canada and the provinces has been issued by Wood, Gundy & Co. The booklet included a memorandum prepared by Messrs. Long & Daly, defining securities in which trustees in various provinces may invest trust funds.

Tables are included showing comparative financial statistics of provinces. Charts show the value of the Canadian dollar in New York, average value of the pound sterling in Canada and trend of interest rates in Canada.

A Conservative Investment
To yield 4.50%

Province of Ontario
4½% Bonds due January 16th, 1949
Denominations: $100, $500 and $1,000
Price: 100 and interest,
To yield 4.50%

Descriptive list of other attractive bonds will be gladly forwarded upon request.

Wood, Gundy & Company
Limited
Telephone ELgin 4321
36 King St. West Toronto

Mining Industry Important

During last year 12,000 men were employed in various mining industries in British Columbia and wages totalled $180,000,000, according to John D. Galloway, provincial mineralogist. More than $7,000,000 was spent on supplies.

OUR WEEKLY LETTER
Contains an Analysis of
THE BELL TELEPHONE CO. OF CANADA
Copies on request
PITFIELD, MATHEWSON & CO.
Members Montreal Stock Exchange
Montreal Curb Market
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Valuations
Estimates
Paper and Pulp Mills
Hydro-Electric and Steam Power Plants
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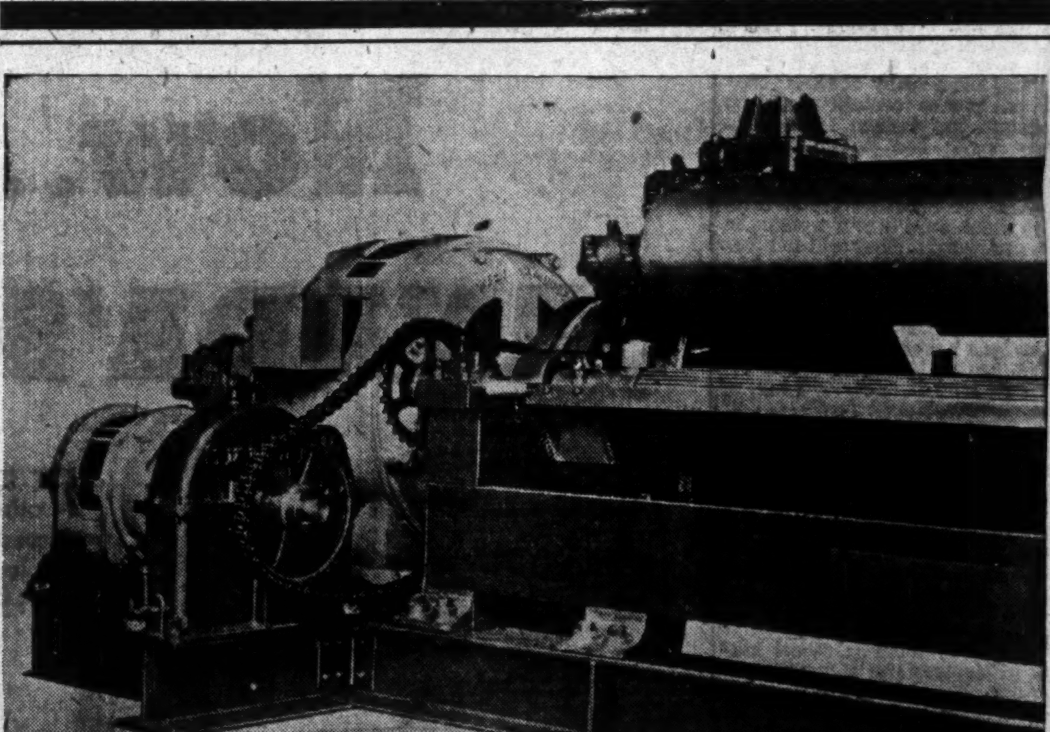
Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at
Beaupré, Que.
Sturgeon Falls, Ont.
Espanola, Ont.
Pine Falls, Man.
Sault Ste. Marie, Ont.
Iroquois Falls, Ont.
Smooth Rock Falls, Ont.
Fort William, Ont.
Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp



12x72" Edger at the plant of the Pacific Mills Limited, Ocean Falls, B.C. Main motor 300 H.P. Westinghouse Type "G" Self Starting Synchronous, 1200 r.p.m., 3 phase 60 cycle, 2200 volts, 80% Power Factor, with 4 KW Direct Connected Exciter. The smaller motor operating Edger Feed rolls is a 20 H.P. Westinghouse Type "HS" Multi-speed, Squirrel Cage Induction motor, 3 Phase, 60 cycle, 440 volts, 1800/1200/900/600 r.p.m.

Masters in a Machine Age

MEN'S aim in this age of machinery is to make wheels turn with less effort. Constant research in the development and use of electrical power has produced Westinghouse generators, transformers, circuit breakers, switchgear, motors and control. To make wheels turn with least effort, specify Westinghouse.

CANADIAN WESTINGHOUSE COMPANY, LIMITED, HAMILTON, ONTARIO
Branch Offices: Vancouver, Calgary, Edmonton, Regina, Winnipeg, Fort William, Toronto, Montreal, Halifax. Service and Repair Shops: Vancouver, Calgary, Regina, Winnipeg, Toronto, Montreal
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Specializing in Mining, Mill and Contractors' Supplies
Steam Coal, Hard Coal and Coke, Electric Supplies,
Sporting Goods
18-20 Wellington St. North SHERBROOKE, QUE.

News of Investment Markets

BONDS ADVANCE ON BROAD FRONT CAUSES DIVERSE

Yields on Gilt-edged Issues Near Best for 20 Years

Canadian bond markets showed pronounced strength in the week ended Feb. 20. Gilt-edged issues approached the best comparative levels of the last 20 years. Western provincial issues added to their recent gains. Municipals were firm. All types of industrial liens were stronger.

Indicative of the rise of prices for gilt-edged bonds, The Financial Post's average yield on seven high-grade bonds touched the lowest point since 1931, which, in turn was the lowest comparative level since 1914. This movement is attributed to a combination of external and internal monetary factors. Excess cash reserves of British, American and Canadian banks, combined with the discount on the Canadian dollar at both New York and London, are believed to be exerting an influence to cheapen money for this class of borrowing in Canada.

Outside Investment

British and American investment in Canada is increasing, it is reported. This influence is also believed to be extending to secondary issues, such as those of certain corporations and municipalities. Improved Canadian trade, and signs of betterment in public finances are also believed to have influenced the improvement.

Decline in yields is shown below:

Average Yield on Seven High-grade Canadian Bonds

	%		%
Feb. 20	4.310	Feb. 12	4.410
Feb. 19	4.309	Feb. 10	4.416
Feb. 17	4.333	Feb. 9	4.416
Feb. 16	4.336	Feb. 8	4.424
Feb. 15	4.367	Feb. 7	4.431
Feb. 14	4.377	Feb. 6	4.434
Feb. 13	4.389	Jan. 31	4.427

Western provincial issues had gains up to a full point. The recent advances have been moderate, however, compared with the intermittent declines with which these issues have been afflicted. This is shown below:

Bids on Western Provincial Bonds

	Feb. 19	Feb. 12	Feb. 5
*Alta. 4½'s '56	85	84½	84½
Alta. 6's '47	99¼	99	98¾
*B. C. 4½'s '53	84½	84	84
B. C 6's '47	99¼	98¼	97½
†Man. 5's '59	91	90	90
Man. 6's '47	99	98½	97½
*Sask. 5's '59	88	88	88
Sask. 6's '52	97¼	97	95

* Payable in U. S. and Canada.
† Payable in U. S., U. K. and Canada.

Corporations and Municipals

Corporation issues showed very few losses. Advances were distributed among all classes of bonds and industries One of the most striking gains was in Gatineau Power 5's of 1956, which rose 5¾ points to 88 on the bid side. C. P. R. convertible 6's of 1942 continued strong at 109 bid, up two points.

Favorable attitude of the market to the more highly esteemed municipal borrowers was indicated by the sale to A. E. Ames & Co. at 100.43 of $100,000 of Kingston 4½'s of 1953, a cost basis to the city of only 4.47 per cent.

January Newsprint Output Best Reported Since 1930

From Our Own Correspondent

MONTREAL. — Newsprint production in Canada last month amounted to 188,374 tons. This is the best showing made by the industry for any corresponding month since 1930 and compares with the record January output of 214,400 tons made in 1929. In comparison with January last year, production last month recorded the substantial advance of 35 per cent.

American mills did somewhat better last month, producing 84,194 tons, compared with 74,400 tons in January, 1933. It is of interest to note, however, that the January, 1934, output was the second lowest figure reported for that month in more than 15 years.

Newfoundland's two mills turned out 75,477 tons of newsprint last month, a gain of 3,270 tons, or 15 per cent more than for January, 1933.

General Increase Noted

Taking North America as a whole, the Newsprint Service Bureau reports production in January, 1934, at 299,278 tons. This was 61,882 tons, or 26 per cent, above January, 1933.

Shipments of newsprint, of course, have kept pace with the larger output. Canadian mills shipped 187,352 tons last month, while American plants reported shipment of 84,796 tons.

Stocks of newsprint paper at Canadian mills are figured at 34,711 tons at the end of January and at United States mills, 17,784 tons, making a combined total of 52,495 tons, compared with 52,075 tons on December 31, 1933.

Advertising Shows Gain

The improvement in production is reflected in the advertising linage figures in United States, which were reported by Media Records, and published by Editor and Publisher. Total advertising linage in newspapers in the United States during January ran 5.8 per cent ahead of January, 1933, making the fourth consecutive month which has been ahead of the corresponding month a year earlier.

FLAVELLE PRICKS MARCONI BUBBLE WITH STATEMENT

Recalls Post Interview in 1928 With Astonishing Market Effect

Sir Joseph Flavelle president of Canadian Marconi, for the second time has punctured the plans of market riggers in New York City attempting to make a market in the stock on basis of rumors of improvement which have no foundation. At the request of the Toronto Stock Exchange, he issued the following statement on February 16:

"A movement, apparently originating in New York, has caused a sharp advance in the shares of the Canadian Marconi Company. The position of the company is fully disclosed in its last report and balance sheet which are in the hands of the shareholders. No material change has taken place since then, nor are there any developing, which in the company's opinion warrant an advance in the price of the shares."

Removed from Listing

The upward movement of the shares was apparently in response to rumors on the street that Canadian Marconi would benefit through a larger share of the cable business to London now monopolized by United States cable companies. It was definitely stated in these street reports that Canadian Marconi messages would soon be delivered to the London Stock Exchange for the first time.

The company has always deprecated these movements in the stock on the basis of unauthorized reports sponsored from outside and the issue was recently removed from Montreal listing at the request of the company because it was felt that the move in the stock was wrongly interpreted by the public.

Previous Statement Made History

This recalls publication in 1928 of a similar statement by Sir Joseph Flavelle to The Financial Post to much the same effect as the new statement. Canadian Marconi shares had risen to $28.50 a share in the bull market enthusiasm, and Sir Joseph Flavelle's dash of common sense caused such a rush of selling orders that the stock sank to $5 a share. A similar statement a year earlier had been ignored by the market. The Financial Post article quoting Sir Joseph Flavelle was telegraphed to New York City, received prominence in all the New York dailies and was sent all over the United States on Dow Jones tickers.

Value of Frankness

On this occasion in 1928 Sir Joseph's statement touched off a nervous market, and it was estimated that the selling spread to so many issues that quoted securities lost $9,000,000,000. This was the first big warning to investors to go slow and not to let bullish enthusiasm go wild. It is thought that if there had been enough of these frank statements from key men, who believed stock market enthusiasm in their stocks to be unjustified, there would have been a return to sanity and reasonable valuations in the boom market by reason of continuous breaks which would have been unpleasant at the time but would have rendered unnecessary and even prevented the entire breakdown in values experienced in 1929 and 1930.

The latest report, which appeared late in December of 1933, covered operations for the fiscal year ended Dec. 31, 1932. It showed an operating loss of $56,618, which after depreciation, etc., was increased to net loss of $188,087. Net loss in the 1931 fiscal year was reported at $98,651, prior to which there were profits. During 1932 surplus account was reduced from $359,163 to $121,077. Working capital was reduced from $1,302,239 to $1,077,547. Current asset ratio to current liabilities was approximately 4 to 1.

GENERAL TRUST OF CANADA

MONTREAL -- QUEBEC

BALANCE SHEET

December 31st, 1933

ASSETS

CAPITAL-ACCOUNT:		
Cash in office and bank	$ 54,421.16	
Accounts receivable	3,479.41	
Loans fully secured and accrued interest	334,027.27	
Advances to estates	267,372.18	
Stocks, bonds and mortgages and accrued interest	739,239.33	
Office furniture and reorganization expenses	2.00	
Real estate	21,472.85	
Total Assets of the Company		$1,420,014.20
ESTATES, TRUSTS and AGENCY ACCOUNT:		
Cash and Bank	$ 235,866.47	
Investments:		
Stocks	5,826,525.40	
Bonds	19,992,069.31	
Mortgages	2,071,980.19	
Real Estate	4,797,942.72	
Sundries	365,488.73	
		$33,289,872.82
GUARANTEED ACCOUNTS:		
Call loans on bonds and stocks		1,157,825.00
		$35,867,712.02

LIABILITIES

CAPITAL-ACCOUNT:		
Accounts Payable	$ 3,594.35	
Dividend declared but unpaid	16,658.04	
Income Tax Reserve	13,951.16	
RESERVE:		
Unearned fees	67,666.39	
Depreciation on investments	30,000.00	
PROFIT and LOSS ACCOUNT.	183,144.26	
CAPITAL-STOCK, fully paid:		
Common	5,000.00	
Preferred	1,100,000.00	
Total		$ 1,420,014.20
ESTATES, TRUSTS and AGENCY ACCOUNT:		33,289,872.82
GUARANTEED ACCOUNTS:		
Principal and accrued Interest		1,157,825.00
		$35,867,712.02

PROFIT and LOSS ACCOUNT

BALANCE January 1st, 1933	$ 161,537.44
PLUS:	
Net profit for the year	87,606.82
	$ 249,144.26
LESS:	
Dividends	66,000.00
BALANCE, December 31st, 1933	$ 183,144.26

Approved for the Board of Directors:
Hon. D. O. L'Espérance, Vice-President.
Arthur Terroux, Director.

AUDITOR'S REPORT

I have the honor to report to the shareholders of General Trust of Canada that I have examined the accounts of this Company for the year ended 31st December 1933 and have obtained all the information and explanations required.

I have verified the cash balances and the securities held by the Company both for its own account and for the account of the Estates and Trusts under administration. The securities and funds held in safekeeping and in trust are kept separate from the securities and funds of the Company and are so earmarked on the books of the Company as to show the account to which they belong.

I certify that, to the best of my knowledge, the above balance sheet, abstracted from the books as at 31st December 1933, exhibits a true and correct view of the financial affairs of the Company.

MAURICE CHARTRE,
Chartered Accountant.

MONTREAL, February 16th, 1934.

WINE COMPANIES SEE BRIGHTENING OF PROSPECTS

Widened Market Likely—Higher Prices Help — Wineries U.S. Venture

Prospects of Canadian Wineries and T. G. Bright & Co., only wine manufacturers in Canada with their shares listed, are understood to be considerably improved by the recent increase in prices and by the expectation that the new bill to be brought down in the Ontario Legislature will make sale by restaurants and hotels legal under specified conditions. The wine manufacturers are greatly cheered by Premier Henry's remarks about the potency of native wine produced under uninspected conditions and hope that inspection will result in driving the most alcoholic wines off the market. They assert that the best wines are of low alcoholic content and some at least of the makers desire that the business should be placed on a higher plane through strict Government supervision.

The position of Canadian Wineries in the United States is regarded as attractive though it is a business which must be built up from the ground. The new plant at Lewiston, N.Y., will be ready for the new vintage next October at the same time as its wineries in Canada.

Revival of U. S. Interest

There has been a great revival of interest in the United States wine industry since prohibition ended on December 5, 1933, and it is stated that, though California is apt to regain its old position as the maker of the largest quantities of cheap wines, New York State may as in the old days bear the palm for quality.

Much has been said recently of a process to make a new wine which can be aged in 60 days and brandy which can be aged in six days. The two winery companies referred to here are apparently not interested in this process or project.

Investment Notes

Significant Investors' Index Numbers

1926 — 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities:	17	6	4	4	10	18	8	87	20	117
1929-33:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	66.5	27.3	44.0	30.5	38.6
Monthly Figures, 1934:										
January	98.1	11.4	74.9	147.0	66.6	122.6	163.6	118.6	53.5	83.8
Weekly Figures, 1934:										
Feb. 1	106.8	11.8	75.4	153.6	68.5	131.3	186.7	124.4	56.7	92.1
Feb. 8	112.6	13.1	75.8	152.9	68.0	133.2	176.3	124.3	58.2	93.1
Feb. 15	112.7	12.4	75.7	150.1	70.5	131.9	170.6	123.0	58.4	92.3

*High and low of years from 1929 to 1933 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics. See also Stock Market Indicator in page one.

Markets Move in Billions

TOTAL market valuation of all stocks listed on the Toronto Stock Exchange at the end of January was $3,521,518,467 as compared with $3,174,647,947 in November.

Principal group valuations other than mining follow:

Construction, 42 issues — 5,521,843 shares, $131,485,286.

Finance Co.'s, 21 issues—2,665,974 shares, $289,028,009.

Liquor cos., 14 issues—11,507,508 shares, $148,593,674.

Miscellaneous industrials, 74 issues—21,790,449 shares, $299,489,914.

Oil companies, 15 issues — 45,122,112 shares, $760,510,406.

Utility cos., 24 issues—$729,996,945.

Food company stocks were less than $100,000,000 in market valuation.

The table of profits shown in the annual statements appearing in January is encouraging as there are either increases in profits shown or decreases in deficits excluding financial companies.

* * *

International Proprietaries

INTERNATIONAL Proprietaries, Ltd., starts 1934 off well with a quarterly dividend of 65 cents a share on Class A stock, a bonus of 5 cents a share as well, and 40 cents a share on Class B stock, payable March 15, 1934, to shareholders of record February 21, 1934.

The company dividend rate annually on the Class A stock is thus maintained at $2.60 while this first bonus payment compares with a total of 13 cents a share paid in 1933 and nothing at all in 1932. The quarterly payment on B stock at 40 cents compares with a total of $1.04 a share in 1933 and of 40 cents a share in 1932.

* * *

Godfrey Realty Reorganizes

GODFREY Realty Corp. is being reorganized with the sanction of the bondholders, given at a meeting last November. Bondholders agreed to take scrip for cancelled interest payments, installments of one-sixth of the face value of the scrip to be payable starting the first of June next and semi-annually until 1936. Montreal Trust Co., trustee for the bonds, is expected to be issuing notices to bondholders soon, concerning exchange of their securities. We understand that the first disbursement on new securities will be made June 1, 1934. Earnings at present are understood to be about three per cent on the first mortgage bonds over and above all operating charges and taxes.

HOWE SD. SALES DOUBLE IN VALUE SHARES EARN $1.74

Working Capital Position Strong — Production Now at 20 p.c.

Operating revenue of Howe Sound Co. was more than doubled during 1933 and net earnings from operations increased to $857,757 in 1933 from an operating loss of $74,326 in 1932. Increase in other income to $412,885 from $247,531 practically offset increase in taxes but depreciation reserve was increased by $84,000 to $286,930 and the company ended the year with net profit of $827,449 or $1.74 per share on the 473,791 shares outstanding. In 1932 the company had a net loss of $76,697.

The income and surplus account of the company for the past two years is as follows:

Cons. Income and Surplus Account Years Ended Dec. 31

	1933 $	1932 $
Oper. rev.	6,498,309	3,044,837
Less oper. exp.:		
Mining	1,103,356	662,208
Transport	120,261	74,737
Milling	447,670	215,465
Marketing	3,579,959	2,067,904
Adminis.	185,891	98,849
Inv. val. metals sold	203,415	......
Net oper. earn.	857,757	*74,326
Add: Other inc.	412,885	247,531
Total net earn.	1,270,642	173,205
Less: Deprec.	286,930	204,564
Taxes	156,263	45,338
Net profit	827,449	*76,697
Less: Divds	562,749	253,405
Surp. for year	264,700	*330,102
Add: Prev. surp.†	12,352,123	†13,142,210
Restore cap. loss, 1931, 1932	229,433	......
Less:		
Adj. on stk. acq. for treas.	......	23,128
Metal inv. w/d to market	......	252,623
Rails & other bds. w/d to mkt.	......	184,234
Bal. forward	12,846,256	12,352,123

* Deficit. † After adjustments.

At the close of the year the production of Britannia Mining & Smelting Co. was on a basis of approximately 20 per cent of normal capacity while operations of the El Potosi Mining Co. were on a basis of 50 per cent of capacity. Sales of current production of copper from Britannia were resumed in January, 1933, and continued throughout the year. As prices advanced operations were extended.

Working capital was increased to $4,957,623 from $4,346,123 while ratio of current assets to current liabilities is up to 10 to 1 from 7.25 to 1 at the end of 1932. Included in current assets is cash at $593,893; U. S., Dominion and municipal bonds at $3,031,858. Inventory of metal unsold is shown at $1,040,755 which had a market value of $1,576,527, and inventory of supplies are shown at cost of $420,109. Working capital position is as follows:

Working Capital

	1933 $	1932 $
Current assets	5,506,498	5,041,562
Current liabilities	548,875	695,439
Working capital	4,957,623	4,346,123
Ratio	10.03—1	7.25—1

During 1933 the company sold 13,071 oz. of gold at an average of $26.246 per ounce; 3,787,702 oz. of silver at 36.147 cents per ounce; 7,990,145 lbs. of copper at 7.776 cents per pound; 110,258,882 lbs. of lead at 2.36 cents per pound and 50,779,252 lbs. of zinc at 3.079 cents per pound. Revenue from metals sold totalled $6,498,309.

Metal Prices

New York—February 20—
Copper: Electrolytic spot and future, 8c.
Silver: 46c.
London—February 20—
(Long Ton)—
Copper: Electrolytic, spot, £36; future, £36 10s.
Standard spot, £32 15s; future, £32 17s 6d.
Tin: Spot, £226 15s; future, £226 12s 6d.
Lead: Spot, £11 17s 6d; future, £12.
Zinc: Spot, £14 15s; future, £15.
Silver: 20¼d per ounce.
Gold: 135s 9d.
Canada—February 20—
Gold: $34.79.

Bond Redemptions

Bond Issues:	Rate	Due.	Redeem.	Price
Goodyear Cotton	6%	1949	Mar. 1	103
Amer. Salesbook	†6%	1939	Apr. 1	103¼
Pac. Manifolding Book	6½%	1937	Apr. 1	103¼
Toronto Conservatory of Music	*5%	20-yr.	Mar. 1	103

† $36,000. * $5,000.

Bond Tenders

Feb. 22. Hespeler—$11,729, 5½ per cent, 15-yr. serial local improvement and highways debentures. M. E. Jardine, treas.

STATEMENT OF

The Acadia Trust Company, Truro, N.S., Canada

For Year Ended November 30, 1933

ASSETS:

Capital Account		
Government and Provincial Bonds	$584,959.30	
Municipal Bonds	125,194.50	
Other Bonds	2,960.00	
Mortgages	109,353.86	
Cash, Truro and New York	4,349.98	
		$ 826,817.64
Guaranteed Funds		
First Mortgages Principal	$ 17,700.00	
Interest Accrued	221.13	
Amount of loans secured by Bonds and Stocks	5,600.00	
Book Value of Bonds, Debentures and Stocks	848,293.17	
Accrued Interest, Bonds and Stocks	11,998.77	
Customer's Balances	468.37	
Cash on Deposit Chartered Banks	14,471.25	
		898,752.69
Estates, Trusts and Agency Funds		$5,152,875.83
		$6,878,446.16

LIABILITIES:

Capital	$200,000.00	
Reserve	500,000.00	
Reserve for Taxes	10,000.00	
Sundry Accounts Payable	4,377.50	
Profit and Loss	112,440.14	
		$ 826,817.64
Guaranteed Funds		898,752.69
Estates, Trusts and Agency Funds		5,152,875.83
		$6,878,446.16

PROFIT AND LOSS

Cr.		
Balance at credit November 30th, 1932	$ 85,538.29	
Interest, Commission, Fees, etc.	82,004.79	
		$ 167,543.08
Dr.		
Expense Account	$ 28,102.94	
Dividends	20,000.00	
Reserve for Income Tax	7,000.00	
		$ 55,102.94
Balance at Credit Profit and Loss November 30th, 1933		$ 112,440.14

Note:—At the annual meeting Feb. 13th, 1934, the sum of $100,000 was transferred from Profit and Loss to Reserve making reserve total $600,000 which is 3 times amount of capital.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Kingston, Ont.	Feb.	A. E. Ames & Co.	4½%	1953	$100,000	100.43	...

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Issued	Offered by	Rate	Class	Amount	Price	Yield
Ardeen Gold Mines	Feb. 20	Stratton, Hopkins & Hutson, Rittenhouse, Hamilton & Co., C. J. Coulter & Co.	...	...	300,000 shs.	50c	...
El-Bonanza Mining Corp.	Feb.	A. W. Scott	...	...	500,000 shs.	25c	...
Pickle Crow Gold Mines	Feb. 21	H. R. Bain & Co.	...	...	1,000,000 shs.	50c	...

NEWS FROM

Canada's Capitals

A week-by-week summary from Ottawa and the provincial capitals of legislative developments of interest to business.

Week in Ottawa

OTTAWA, Feb. 12—Two private bills (not yet printed) one respecting the Prudential Trust Company and the other affecting patents of which the Duplate Safety Glass Company is entitled to benefit, were introduced. William Irvine's motion to nationalize life insurance was defeated 91-19. M. Luchkovich withdrew a motion suggesting that Canada's foreign policy be submitted to a select standing committee. A resolution calling for the development of a Dominion-provincial health policy was talked out.

Feb. 13 — Stevens' committee appointed. Debate on the address was proceeded with and the Liberal no-confidence amendment was defeated 110-76.

Feb. 14—Resolution moved by Miss Agnes MacPhail calling for a parliamentary enquiry into penitentiaries was debated but no decision was reached.

Feb. 15—The debate on the address was concluded, the Labor amendment being defeated 89-54.

Feb. 16—Public works supply was taken up, a large number of items being approved.

* * *

Ontario

TORONTO, Feb. 14—Bill to amend the divorce laws by having case heard in locality in which plaintiff lives occupied session. Attorney-General Price proposed creation of a fund to check cases to prevent collusion and perjury. Fund to be created by $10 to $15 levy on all cases.

Feb. 15—F. J. MacArthur, Conservative, attacked department store buying methods saying they were chief cause of labor troubles in Stratford. Announced that Hon. Dr. J. M. Robb would introduce an amendment to the Public Health Act to allow municipalities to band together in the formation of a "health unit" to cut down overhead expenses.

Feb. 19—Second reading given to Hon. J. M. Robb's bill to reduce bakery employees' hours of work from 60 to 56 hours, an amendment to the Factory, Shop and Office Building Act. Debate on throne speech continued.

* * *

Manitoba

WINNINPEG, Feb. 13 — Premier Bracken denied suggestions made by W. Sanford Evans that any other wheat agreement had emanated from London than the one published. Mr. Bracken stated that if any wheat legislation were introduced in Manitoba it would take the form of limiting sales if the 1933 crop exceeded 1932.

Feb. 14—Debate of throne speech featured by opinions on wheat agreement. Prairie premiers defended by Marcus Hyman, Independent Labor.

Feb. 15—Debate continued. Second reading given to three bills dealing with consolidation of municipal tax arrears. Most important would legalize payment of 10 per cent of arrears along with current taxes instead of 20 per cent at present.

Feb. 16 — Non - confidence motion moved by J. W. Pratt, Independent. Mr. Pratt's proposals ranged from monetary matters to building programmes and minimum wages.

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ASSETS

Real Estate — Head Office	$ 60,000.00
First Mortgages	375,175.81
Book value of bonds:	
Not in default	1,139,824.54
In default	130,833.72
Book value of stocks	69,339.33
Cash on hand and in banks	58,203.67
Interest and rents due and accrued	23,887.81
Agents' balances written on or after October 1st, 1933	31,128.14
Due from Reinsurance companies (received business)	8,117.66
	$1,896,510.68

LIABILITIES

Provision for unpaid claims	$ 16,376.62
Reserve for unearned premiums	190,268.27
Taxes due and accrued	6,836.81
Reserve for loss on investments	130,000.00
Received in advance on mortgage interest	422.43
Agents' credit balances	65.03
Excess of assets over liabilities	**1,552,541.52**
	$1,896,510.68

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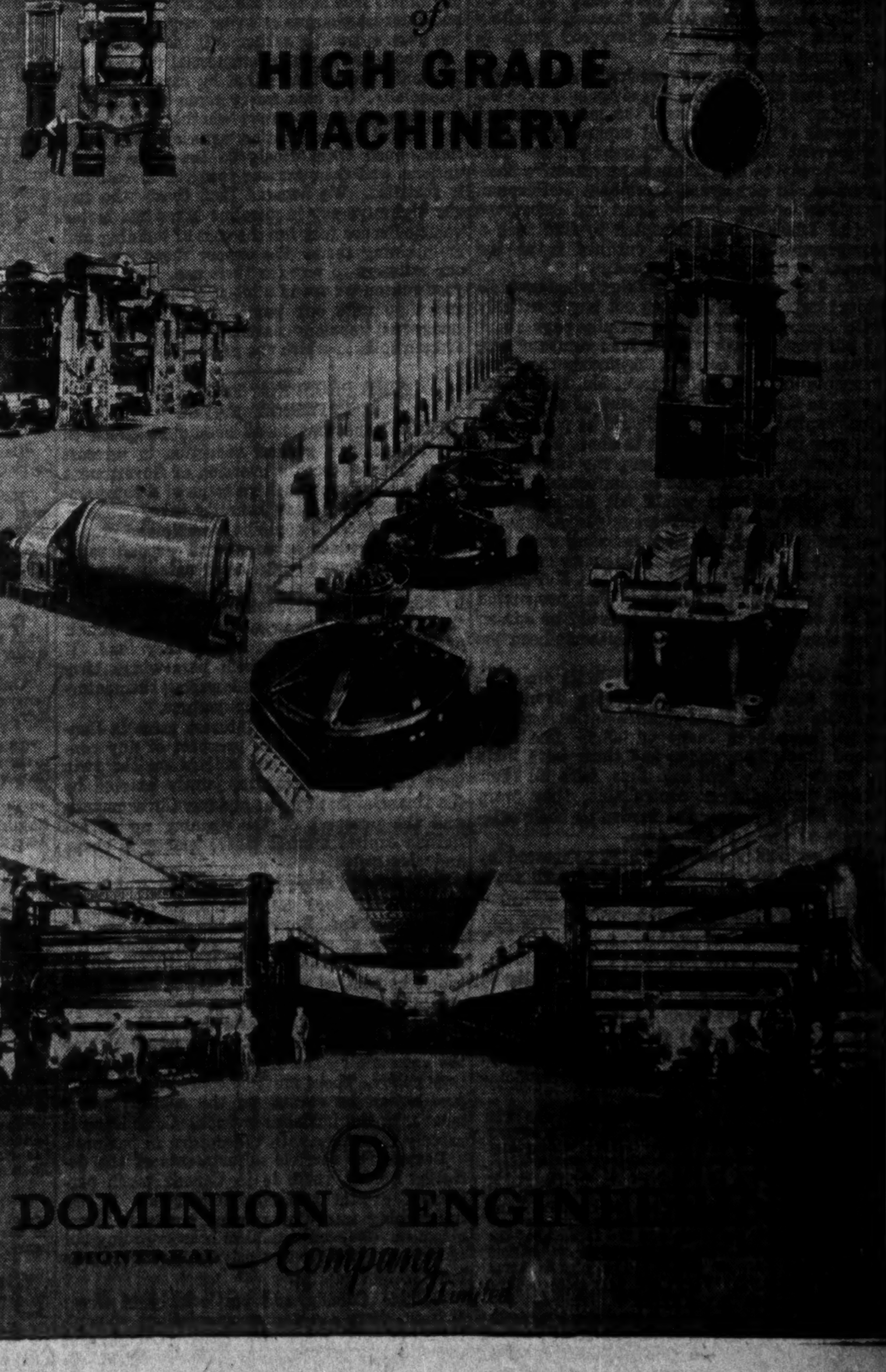

The Financial Post

Member Audit Bureau of Circulations

Editor—FLOYD S. CHALMERS
Business Manager—D. M. GOWDY

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TORONTO, FEBRUARY 24, 1934

A PLAN FOR SOUNDER MUNICIPAL FINANCE

A DISTRESSINGLY large percentage of municipal bonds in Canada are in default. There are few towns and cities which are not experiencing difficulty in regard to their tax collections, a sure evidence that municipal authorities are imposing taxes beyond the ability of the public to pay. This condition is difficult to remedy because such a large proportion of municipal expenditure is in connection with debts incurred at some previous time.

The unhappy experiences of municipal authorities and municipal taxpayers during the past five years have aroused discussion as to ways of controlling capital investments by municipalities. The "pay-as-you-go" policy has been advocated and is in force in some cities in the United States. Under this plan, municipalities undertake to issue no bonds, except possibly very short-term issues, but to pay for all new streets, buildings, bridges, etc., in the year in which they are constructed. But it is a cherished belief of the taxpayer that he should not be called upon to pay in his current year's taxes for improvements from which that mythical group of potential future citizens known as "posterity" will also benefit. Likewise, the thread-bare argument is used about every new municipal improvement that it will create new taxable values and that the income from these taxable values will cover the interest and sinking fund on the bonds issued to pay for the improvement. Perfectly sound in theory, these doctrines have had an unfortunate effect in actual practice. They have made capital spending much too easy. The taxpayers have forgotten that posterity is just around the corner; that they themselves are, practically speaking, the taxpayers not only of today but of tomorrow.

There is another great weakness to the practice of paying for capital works out of borrowed money. It tends to make the minimum budget of any municipality too fixed, too rigid. As soon as a controllable expenditure is made the cost of servicing it becomes an uncontrollable expenditure. When a time of business crisis develops most municipalities find themselves faced with special expenditures such as those now embraced under the heading of relief. Special expenditures, added to the so-called uncontrollable expenditures, make larger civic income necessary at a time when the ability of the public to pay taxes is definitely reduced. The result is widespread crisis in municipal finance.

Between the present practice of dividing the entire cost of municipal improvements over the life-time of the work and the more advanced proposal of paying for all capital works out of current income—the "pay-as-you-go" policy—it may be that there is an effective compromise. In any event, Archibald McPherson, president of the Ontario Loan and Debenture Co. of London, has attempted to find such a compromise and he has outlined it at the annual meeting of his company.

Mr. McPherson points out that when an individual buys a house he does not buy it entirely with borrowed money. He usually pays about 50 per cent in cash while a loan company will advance him the balance. Applying the same principle to municipal finance, Mr. McPherson suggests that a substantial part of any municipal capital expenditure should be paid for in the year in which the work is done. He points out that in prosperous times the increase in that year's tax rate could be comfortably borne. If not, the citizens would not authorize the work. In the less prosperous years, municipalities would refrain from entering upon new work and this would result in immediate and substantial reduction in taxes. Mr. McPherson urges that the repayment of that proportion of the cost that is borrowed should be spread over shorter terms than have hitherto been the case.

The Ontario Loan president hints that the larger municipalities could learn from the example of the rural municipalities most of which have been managed along just such sound lines. They enter bad times with little or no debenture debt and thus, with all their budget expenditures controllable, they were easily able to lighten the burden on their ratepayers as the times required.

The eminently sensible views expressed by Mr. McPherson should be studied by all those who are concerned with the present emergent condition of Canadian municipal finance.

EXPENSIVE WHEAT POLICY

"THE government is not either directly or indirectly gambling in wheat." This positive statement was made by Hon. H. H. Stevens, Minister of Trade and Commerce on the floor of the House of Commons. Then he went on to explain what the government was doing in the wheat market:

> "It has supported Mr. McFarland, who was chosen as their manager by the pool selling agency for the three western pools......in taking care of wheat futures on the Winnipeg market..... With the collapse in the price of wheat, in the world market, wheat speculators were driven out of the market. So the pool selling agencies found themselves with a substantial quantity of wheat in futures on their hands and the farmers of the west were faced with the necessity of having some institution or organization absorb those future contracts. Therefore the pool selling agencies....took up the slack."

In brief the Dominion government took the place of the speculator who was driven out of the markets not by the collapse of wheat but by governmental interference in wheat the world over. It became the single repository of all the excess wheat of the country. It became the one big speculator, although Mr. Stevens is entitled to his opinion that supporting the wheat market for social reasons is not speculating.

What would have happened if the government had not provided such a cushion? Mr. Stevens says, "It would have ruined the market."

Undoubtedly wheat would have dropped. But in 1930 the bank loans of the western pools were guaranteed by the provinces to keep wheat from dropping and wheat fell in a year from $1.20 to below 60 cents. The loans of the pools on subsequent crops were guaranteed by the Dominion government but wheat continued to fall, going below 40 cents. Even the wheat purchases of the pool agency (actually of the government) failed to stem the decline. Wheat finally rose in response to general world improvement in prices and the depreciation of our dollar in terms of gold.

What would have happened had there been no governmental support of the wheat price? It is unlikely that it would have fallen as far as it actually did. The decline at first might have been more precipitous; the balance between production and consumption would have been more quickly restored. But our wheat would have been sold. The farmer and the western wheat grower and the taxpayers of Canada would today be better off.

The western premiers thought that they acted for the best in 1930. Mr. Bennett and his cabinet have acted honestly and sincerely in what they have done since 1931. But that does not alter the fact that the whole policy has been a serious and expensive mistake.

BRITISH GAIN FROM OTTAWA AGREEMENTS

RESULTS of a special study by The Financial Post, of Canadian trade in items affected by the Imperial Conference Canada-United Kingdom agreements, provide conclusive evidence of the efficacy of the plan as it has affected both Canada and the United Kingdom.

Total value of exports of Canadian commodities affected amounted to $101,500,000 in 1931 while the total for 1933 for the same items was $138,300,000, an increase of $36,800,000 or 36 per cent. Imports from the United Kingdom of the leading 21 items of the 220 affected by the changes in the Canadian tariff (excluding gin and whisky owing to the change in the United States situation) amounted to slightly less than $20,000,000 in 1931. This figure had increased to over $28,000,000 in 1933, or by more than 40 per cent. Imports from U. K. of the 220 items affected by tariff changes amounted to about 60 per cent of total imports from U. K. in 1931.

It is generally admitted throughout Canada that the agreements made in respect of Canada's export trade have been productive of excellent results. In the United Kingdom, however, press dispatches show that there is a general feeling that the United Kingdom has failed to gain by the concessions given by Canada.

In the face of evidence to the effect that there was a 40 per cent increase in trade in the leading items affected by the treaty, this attitude of the British would appear to be unfair. After all, it is hardly to be expected that an increase in all types of trade would take place because of tariff changes affecting only about 60 per cent of the total.

PROFITS ON PANAMA CANAL

TRAFFIC through the Panama Canal is showing a remarkable increase. The number of vessels passing through the canal during the last six months was 2,750 against 2,295 for the previous similar period. The tolls collected showed an increase of nearly $2,000,000.

The United States government, in imposing tolls on Panama Canal traffic, has as its objective meeting all out of pocket expenses in connection with the canal and in addition earning a sum sufficient to cover interest charges on the investment. It failed to do that in the last fiscal year because of the great decline in traffic but there will probably be a substantial operating profit on this year's operations.

Canal traffic is showing an increase on Canadian canals but as all vessels pass through our canals free of tolls the cost of maintenance and interest charges is in no way lessened by the gain in traffic; rather is it increased.

If the canal has any commercial value at all, it should prove that value by carrying itself financially. We have never given our canals in Canada a chance to prove whether they really are useful transportation arteries. We build them, open them freely to the ships of all nations, and then assume that the investment is justified. We demand that those who use our highways pay in gasoline taxes and motor vehicle license fees for the cost of building and maintaining them. We expect those who use our railways to pay for their use. But for no good reason we spend a lot of money on canals and then take our payment for the use in somewhat nebulous national benefits instead of cash tolls to which the nation is entitled.

THE PROSPECT FOR LOWER INTEREST RATES

EVERY encouragement should be given in Canada to a general reduction in interest rates, not by forced conversion of Government loans, but by such positive steps of a constructive nature as we can honestly take.

For instance, it would be feasible and proper further to reduce savings bank deposit rates and to pass the saving on to new borrowers. The same thing can be said of the rates paid by other lending institutions for the funds of their clients and charged by them on behalf of their clients for the money they loan. If Governments restrict their borrowings they will have less difficulty in lowering their interest rates as their securities mature.

The promise of lower interest rates in Canada comes not from the prospect of any confiscatory legislation but chiefly on the twin hope of gradual pressure, jointly exerted by the financial institutions and our Governments, and the prospect of the opening up of the British capital market where money is cheap and plentiful.

In the world there is plenty of capital available. Money does not have to be created by artificial means. But capital is shy. When one is thinking of capital one has to consider not only tangible cash and bank deposits but intangibles as well, of which confidence is the chief one. Confidence is the key to the whole situation. There must be confidence in the money in which the investments are expressed; there the determining factor is governmental monetary policy. There must be confidence too that profits can be earned on the capital; which means, in the business outlook. Confidence is rapidly returning with the upturn in business.

Despite the terrible adjustments of the deflation period, there is in Canada much permanent capital awaiting investment. It has been going into Government bonds in large measure. Governments have been crowding out of the market those few private borrowers who have sought capital.

Outside Canada and particularly in Great Britain, there are vast accumulations of capital upon which we can draw. Canada has already been able to tap the British capital market to the extent of $75,000,000 and there is some reason to hope that within a short period private borrowers will be able to take advantage of low cost money available in the United Kingdom.

EDITORIAL NOTES

If President Roosevelt burns down many more barns to get rid of the rats the outlook for the construction industry should improve.

* * *

One object of our tender sympathies is the advertising writer who changed a tire at 22 below zero on his way to the office to write an advertisement extolling the virtues of Canada's invigorating climate.

* * *

A British government commercial report says that "autochthonous" religious practices are carried on in the hills of Haiti. The chap who wrote that knows that Haitians are sensitive on the subject of voodoo.

* * *

The United States government is studying a way to save on printing bills by printing $6,000,000,000 this way $6□; or $6,000,000 as $6■. Anyway they print it, the taxpayer will put up the same amount of money.

* * *

The Toronto Star objects to the high dividends paid by Canadian companies during the depression and the Globe condemns the Bell Telephone Company for earning such a small return on its reserve fund. It's hard to please everybody.

* * *

Some pertinent comments on debts and credits are made by James D. Mooney in his book "The New Capitalism." Debts can not be paid off by creating new debts, he says. "The only way to reduce total debt is to reduce total credit." Debts can be compromised but to inject inflationary credit into the economic system is to create new debts of like magnitude.

* * *

Hon. Hugh Guthrie announced in Toronto that the government would balance its budget for the current fiscal year. After the cheers that greeted his statement had died down he went on to add that, of course, special expenditures of one kind and another were not included. Which recalls Mark Twain's New Year's resolution to live within his income even if he had to borrow to do it.

Post-Scripts

SENATOR PIERRE F. CASGRAIN recently told the Senate that recommendation of a central bank for Canada by the Royal Commission on banking was a cut and dried affair. Sir Charles Addis and Lord Macmillan, the two British commissioners, he said, had decided that we needed a central bank. Sir Thomas White and Beaudry Leman, the two Canadian banker commissioners, had equally decided that we did not. "The casting vote was by Mr. Brownlee," said Mr. Casgrain. "So we are to have a central bank by virtue of Mr. Brownlee's decision," he concluded.

This reasoning appears to be good. But perhaps it could go farther. Who arranged the commission so that there were two obvious adherents and two obvious opponents of central banking; so that Alberta's premier, Hon. J. E. Brownlee, would be the central bank-maker? The least that can be said of the whole arrangement is that it was pretty neat.

CHARLES R. FLINT, who died in New York the other day, was known as the father of trusts. As a young man, he learned something about business as a partner in his father's shipping firm. Later he established various shipping lines himself and in the course of his activities discovered the fun and the profit there was in merging various companies. He started the consolidation movement which led to the formation of so many huge American corporations and brought on anti-trust legislation. He organized over twenty of the large American trusts, including such enormous corporations as the American Chicle Company, American Woollen Company, International Business Machines Corp. (the name is new but the trust is old), National Starch Company, United States Rubber Company, and others.

The best story told about Mr. Flint relates to a visit he made to Russia many years ago. In Moscow, he was stricken with pneumonia and found difficulty in getting proper medical attention. He cabled to a life insurance company in New York: "You have million dollar policy on my life. Look after me." It was his theory that any company that stood to lose a million dollars by his death would move heaven and earth to keep him alive which is what they did and he recovered nicely.

The incident occurred many years ago. Mr. Flint was 84 when he died. If he continued paying premiums on that million dollar policy until his death the company undoubtedly got a good return on the investment they made in hospitalization for Mr. Flint when he fell ill in Moscow. Many fascinating stories of Mr. Flint's life were told in "Memories of an Active Life" which he published in 1923.

Sayings of the Week

"No Government can stand for long supported by force alone."—*Herr Hitler.*

* * *

"America's resources forbid catastrophe."—*J. L. Garvin, editor, the London Observer.*

* * *

"Competition furnishes the incentive for people to rise, for genius to come up."—*Henry Ford.*

* * *

"Nothing is perfect in this imperfect world, not even the British banking system."—*Hon. Rupert Beckett.*

* * *

"The only justification for the system of private enterprise is that it works best." — *Sir Walter Layton.*

* * *

"History is like the individual memory in that it tends to obliterate disagreeable experience."—*H. G. Wells.*

* * *

"Only one person in ten of those now suffering persecution in Nazi Germany is a Jew." — *Lord Marley.*

* * *

"If ever a woman was justly executed according to the rules of warfare, Nurse Cavell was."—*A. Duff Cooper, M.P.*

* * *

"An undue worship of privacy, a characteristically English trait, is a form of possessiveness."—*Miss Vera Brittain.*

* * *

"Most certainly we cannot go to war because of a railway."—*Hiroshi Saigo, Japanese Ambassador to the United States.*

* * *

"The past is but the foundation laid for the future."—*T. B. Macaulay, chairman of the Sun Life Assurance Company of Canada.*

* * *

"I think that President Roosevelt, pushing all the buttons in turn, must ultimately touch the one that can ring the bell."—*Sir Josiah Stamp.*

* * *

"People may hate one another, but the circumstances of the modern world are such that they can't do without one another."—*Aldous Huxley.*

* * *

"Fascism in England will be described, not by that ominous title, but as the Union of All Good Citizens for National Reconstruction." — *Professor R. H. Tawney.*

* * *

"I was once told by a man in the Prussian Ministry of Education that the duration of mental sanity on the part of any master in a public school is five years."—*Herr Kurt Hahn.*

* * *

"The man who cannot persuade his fellow men need not expect to take them by conquest because they will not remain permanently conquered."—*Dr. Nicholas Murray Butler, president of Columbia University.*

In the Mail

Alberta's Civil Service

Editor, The Financial Post:

In the issue of The Financial Post for January 13, appears an article on the front page, headed "Premiers to Discuss Canada's Big Problem, Financing the West."

The article proceeded to discuss the question, but also introduced as part of the discussion a letter written by A. J. Scott, of Calgary, Alta. Just why the editor of The Post should have removed Mr. Scott's letter from a place in the column reserved for communications to the editor, and have selected it for a prominent position on the front page in a discussion of so important a question as the finances of the West, is difficult indeed to understand, particularly in view of some irresponsible statements made by Mr. Scott in his letter.

One of these may be quoted as follows:

"We (in Alberta) have just about as many government officials, deputies, inspectors and clerks as Great Britain with her population of over 50,000,000."

It is difficult to believe that anybody would place credence in wild statements of this description, but in view of the fact that the editor of The Post has seen fit to present Mr. Scott's letter in the light of an authoritative argument against Western methods of finance, a presentation of the facts would appear necessary.

Great Britain had in 1929-31, according to the report of the Royal Commission on the Civil Service, a total civil list of 445,500 people, of which 231,000 were employees of The Post Office, 33,000 were in two other revenue departments, 100,000 in three defense departments, and 81,500 in other departments.

In Alberta as at August 31, 1933, there were 2,747 permanent and temporary employees in all branches of the Alberta civil service, including all provincial institutions in the province, the provincial telephone service, and the liquor control staff. In August of 1921, the total list was 2,697 employees but since that time there have been added the department of lands and mines, the liquor control board and other services, chiefly necessitated by the transfer of the natural resources to the provinces. Eliminating services not in existence in 1921, the staffs employed in August, 1933, were 2,339, compared with 2,697 in 1921.

This comparison speaks for itself, and effectively answers Mr. Scott's quite unfair remarks.

R. G. REID,
Provincial Treasurer.
Edmonton

Problem of Creditors

Editor, The Financial Post,

In all the discussions and plans of the past year or so, to help borrowers through one means or other—reductions in interest rates, mortgage moratoria, bankruptcy settlements by commercial and industrial corporations, commission management of municipalities, and direct or indirect methods of reducing the principal owing—little consideration has been given the lenders, who have been treated as "The Big Bad Wolf" to whom no consideration is due. It is entirely overlooked that just as small borrowings comprise the greater part of the sum total, so the small lender, whether he lends directly, or collectively through corporations or insurance companies, provides the greater part of the sum so loaned. Any radical adjustment, without consideration of the lender will only add to the present economic upheaval.

This money, in most cases, is the result of a lifetime of careful saving and planned spending. The interest therefrom is a necessary part of the lender's annual income. The principal is his insurance against dependence when his earning days are over. Confiscation, by whatever means or under whatever name accomplished, will only destroy all incentive to thrift without bringing more than temporary improvement to the lot of the borrowers.

The majority of cases where the borrower experiences trouble, are a result of unwise spending, over-expansion and lack of provision for the future in time of plenty, the exact opposite of the means by which such borrowed capital was accumulated. Admittedly there are many cases where the difficulty is a result of circumstances over which the borrower has no control. Unless concessions to borrowers, at the expense of the lenders are carefully considered, are we not putting a premium on unwise borrowing and inviting a return of the same conditions at a not far distant future date?

The majority of loans, both in number and total amount are from one to five thousand dollars, and a one per cent reduction in interest, though considerable in the aggregate, represents a saving of only from ten to fifty dollars annually to the individual borrower, a small amount in relation to the loan. Whereas the lender lends with the knowledge and expectation that the interest at the stated rate is the sole addition to his principal, the borrower borrows with the expectation of making a profit over and above the interest. In other words the speculation is all on the part of the borrower. Why then reverse this risk by harsh and arbitrary action against the lender? And, if present rates of interest, which I deny are unreasonably high, restrict purchasing power of the borrower, so will reductions of interest reduce not only purchasing power, but the income from which thousands are in whole or in part, dependent. Cheap money is no guarantee of economic development any more than dear money is a cause for economic stagnation.

In the large majority of cases the lender will be found just and reasonable.

It is a sad commentary on present day morals, that debtors, whether individuals, corporations or municipalities are not only willing but anxious to default their obligations and lay the responsibility for adjustment to the government, and in accepting this responsibility the government should also see that future borrowings are so restricted that a repetition of such chaos will not again be possible.

ALSO A DEBTOR.
Toronto

Control of Wheat Acreage

Editor, The Financial Post:

Spring wheat sowing in Western Canada and in the northwestern states will in a few weeks be in full swing. In plain words the time for action is at hand.

Will the farmers on the prairies make up their minds to reduce their acreage and their production or will they say "It is advisable that less wheat be grown, but my little bit won't count and I may as well plant a full acreage; something may turn up."

Mr. McFarland's able article in The Financial Post of Feb. 10 deals with every aspect of the present wheat situation and its future. There is no questioning the actual facts presented. His statement may seem to prejudice his chances of a satisfactory disposal of present holdings but, Mr. McFarland from the day he took over the duties of his present position has never ceased to emphasize the fact that there can be no hope of permanent betterment in wheat growing circles unless production be brought down to within reasonable measure of consumption.

He is not, however, dealing with existing market conditions of supply and demand. He is trying to impress upon Canada as a whole the importance of revising its agricultural production.

"Orderly marketing" has been dinned into our ears for the last few years. It is time now to think out and practice "orderly production."

Production of wheat must be controlled world over and nowhere is this more important than in Western Canada the largest surplus producer.

Winnipeg. BRUCE McBEAN

As Others See Us

Canada's Hope for the Future

Bowmanville Canadian Statesman: Col. J. B. Maclean, chairman of the board of MacLean Publications, Toronto, made some pertinent remarks at its annual meeting as recorded in The Financial Post, pertaining to prosperity in the Dominion and the apparently easy method of achieving that prosperity. Col. Maclean, who is one of Canada's outstanding citizens, has brought the firm that bears his name from a small publishing concern to be the largest business of its kind in the British Empire, publishing 28 different magazines and newspapers. It is perhaps significant that while the firm is rated the largest in publications printed, in advertising, and in general business the firm's profits were not the largest.

The Remarkable Achievements of Col. Maclean

Kingston Whig-Standard: It is not often that any reference is made in The Financial Post to the success or achievements of the MacLean Publishing Company, the publishers of The Post. In this week's issue, however, the publishers deviated from their usual rule and have given a modest presentation of the work they are doing. The reason for this is the fact that at a recent meeting of the board of directors, Lt.-Col. J. B. Maclean gave up the presidency and assumed the newly created position of chairman of the board. Mr. Horace T. Hunter, the vice-president, has been promoted to the position of president, and Mr. H. Victor Tyrrell, the general manager, has been made vice-president and general manager.

The romantic story of the achievements of the MacLean Publishing Company during the forty-seven years of its existence, as told by Col. Maclean in his address to the directors, is inspiring reading. It tells what can be done in a young country like Canada by men of vision and ability who have a tremendous capacity for hard work.

Col. Maclean is one of the outstanding Canadians of today. From his office on University Avenue, he has wielded a big influence in the business development of this country for nearly half a century. He has sought little for himself but has always been a co-worker with his employees. Although a very large company, the stock is all owned by Col. Maclean and the members of his organization. Although he has passed the three-score years and ten mark, Col. Maclean is still in every respect a young man, and takes just as keen an interest in Canadian affairs today as he did thirty years ago. His friends throughout Canada are legion, and those who share his friendship treasure it highly.

In Messrs. Hunter and Tyrrell, Col. Maclean has two brilliant and successful colleagues, and it is upon strong shoulders that the Colonel is now putting more of the load. The Whig-Standard offers its sincere congratulations to the MacLean Publishing Company upon the success it has achieved, and wishes it continued success in the future.

Other People's Views

Inflation No Cure

Sioux Falls (S.D.) Argus-Leader: Price inflation alone will not cure our troubles. In fact, if it is accompanied by deflation in production, it will serve only to accentuate them. Government tendencies today are working toward a deflation of production and, seemingly, an inflation of prices . . . Price inflation in industry will not serve to expand buying power. Nor will the shorter working week. Their tendency in fact will be to curb buying power . . . Business stagnation has resulted from artificial currency inflation in all periods of history.

Must Retrench

Toronto Telegram—It has been intimated that the Dominion government is contemplating a construction programme on a huge scale for the purpose of getting things moving once more. But even that would only be pouring water into a sieve unless drastic measures are taken to cut down the cost of government. The opinion expressed by many bankers that the cost of government is entirely too high is undoubtedly shared by a majority of those who have to pay for the luxury. Any plan for financial rehabilitation of the west should be prefaced by a definite programme for minimizing the expense of government.

Canadian Millers Disappointed

Northwestern Miller—The year 1933 was one of disappointment to the Canadian milling industry. It opened with some hope of better earnings and trading conditions, but this was not realized. It is true that earnings did improve to a slight degree with some concerns, but the general result for the whole industry was poor. Domestic competition was excessively keen and profits were reduced to a minimum. Many millers insist that consumption itself is shrinking. As a rule Canadians eat a lot of bread. Millers generally figure on selling about 10,000,000 bbls. per year in the domestic market.

Where the trouble really lies in this business is in the exporting field. The present capacity of Canada was built on a basis of something like the same quantity of flour being sold for export as is consumed in the home trade, that is to say, about 10,000,000 bbls. In six out of the last eleven years that quantity was actually sold for export with a margin over in every case, but for the last four years the figures have been well under 7,000,000 bbls., and in the last two under 6,000,000 bbls. On such a basis the industry cannot pay. This falling off in exports has been mostly due to general industrial depression with its accompaniment of tariff and exchange restrictions. The popularity of Canadian flour with bakers everywhere remains unshaken, but international trade has broken down and the politicians seem unable to put things together again. Under free competition there is no doubt flour from Canadian wheat would dominate, but until common sense is again on the throne this country will have to submit to the partial destruction of what should be one of the finest branches of her foreign trade.

One with the eye of a prophet could probably discover in the situation of today distinct signs of returning sanity, and on this basis it would be possible to predict that Canadian flour is destined again to bulk largely in the markets of bread consuming countries. Nothing could be more logical than a prediction of that kind, but unhappily it is not logic but an inferior kind of human stupidity that is at present governing the trading policies of the world, and so long as that remains the case there can be no certainty that any of the things which should materialize will have much chance so to do.

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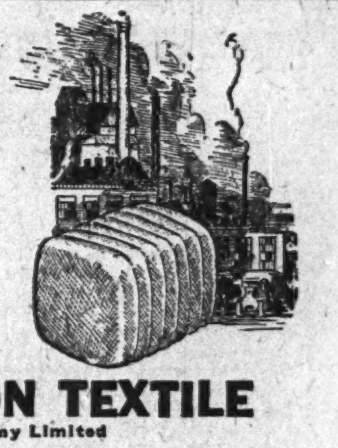

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TORONTO MONTREAL

The Week in Business

Impressive Trade Gain

NOT only do Canadian exports in January show a 47.7 per cent increase as compared with the same month of the previous year but exports of every important individual item, with the exception of wheat, were greater than in that month. Value of exports of meats, including bacon and hams, cheese, planks and boards and nickel were more than three times as great as in January a year ago and exports of automobiles and copper were more than doubled. Imports were 33 per cent higher than in the corresponding month of the previous year, the increase being slightly larger in the group entering duty free than in dutiable goods.

Changes in the principal items of export are shown in the following table:

Export Trade in January

	1934 $	1933 $	Change 1933-34 $
Wheat ...	4,613,824	6,912,273	— 2,298,449
Wh't flour	1,514,424	1,162,046	+ 352,378
Fish	1,497,160	1,439,409	+ 57,751
Furs	3,594,719	2,210,117	+ 1,384,602
Meats ...	1,801,716	632,126	+ 1,169,590
Cheese ...	140,405	46,677	+ 93,728
Planks & boards ..	1,609,059	583,446	+ 1,025,613
Wood pulp	1,974,064	1,457,306	+ 516,758
Newsprint	6,415,668	5,204,445	+ 1,211,223
Automobiles	908,169	367,885	+ 540,284
Copper ..	1,287,630	765,334	+ 522,296
Nickel ...	2,782,682	795,661	+ 1,987,021
Total (all items)	46,652,017	31,561,813	+15,090,204

* * *

Milk as "Loss-Leader"

IT WOULD appear that the chain stores feel that their chief concern in the merchandising enquiry at Ottawa will be to refute charges of reducing prices by offering farm products, such as butter, turkeys and milk as "loss-leaders." They point out that their sales in this category cannot be charged with affecting the market as butter prices always remain in the neighborhood of twice cheese prices and these latter are controlled by exports and therefore made in London, Eng. As far as turkeys are concerned, they point out that lack of buying in the United States combined with increasing production were the direct causes of low prices last fall.

The use of milk as a "loss-leader" comes in a somewhat different category, however. A recent study made in the United States disclosed the fact that milk sales were lower in cities which had large store sales of this product. The reason given was that where housewives attempted to save by buying at cheaper rates in stores, they were often left short of milk and did without. It was proved that milk route delivery was the method which resulted in the greatest distribution.

* * *

Steel Output Record

AS PREDICTED in this column last week, the Dominion Bureau of Statistics January report of activity of steel plants shows that the month was the busiest since May, 1931, production during the month being the highest since that time and the largest January total since 1930. Production of iron ore was also high in January although the total was slightly below that of December.

Car loadings now apear to be definitely established at a level about 25 to 30 per cent ahead of last year, the feature being the impressive gains made by l.c.l. merchandise and miscellaneous loadings.

January production of automobiles was more than double both the December and January, 1933 totals, 6,904 cars being produced. Feature of the month, however, is the fact that, of the total, 3,934 were made for export and only 2,970 for sale in Canada.

Coast Lumbering Active

The lumber industry of British Columbia with an estimated total production of one billion board feet in 1933, and shipments 25 million feet greater than production, made a notable showing in 1933, due almost entirely to increased sales overseas. But an increase of 72 per cent over 1932 in sales in Empire and foreign countries was balanced by a loss of 50 million feet to the United States, leaving a net export increase of 48 per cent.

Commodity Prices

Last week marked the eighth consecutive weekly advance in United States commodity prices, taken as a group. Prices in Canada have followed this upward sweep although the Canadian indices are dominated by wheat which has failed to record the same advances.

Prices in the current week opened softer than for some time, United States cotton quotations being considerably lower and wheat at both Chicago and Winnipeg being weak. Although there was little export demand, wheat prices at Winnipeg were firmer than at Chicago. Cattle prices showed a tendency to rise in Toronto.

	Week ending Feb. 17	Previous week	Same week last yr.
Cattle, cwt.§	$6.50	$6.25	$4.50
Copper, lb.	.08	.08	.05
Cotton, lb.	.1255	.1265	.0615
Rubber, lb.	.1062	.1065	.0298
Sugar, raw, lb. ..	.0335	.0360	.0280
Silk, lb.	1.57½	1.55	1.22½
Wheat (Man.) bu.‡	.65⅞	.66	.46⅛
Hides, lb.	.10	.10½	.04½
Coffee, lb.	.11	.10¼	.08¾
Weekly Indices*			
N. Y. Annalist¶	106.8	105.9	80.9
Fishers'	73.7	73.2	†71.3
N. Y. Journal of Comm.	75.1	74.3	52.8
Crumps (Brit.) .	66.4	66.3	†63.4
U. S. Labor* ...	73.3	72.8	60.2

†Average, 1933. *Feb. 10.
¶Week to Feb. 13. §Feb. 15.
*Jan. 20. ‡Feb. 19.

Monthly Indices*

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.)			
W'sale (Jan. 1934)	70.6	69.0	63.9
Retail (Jan. 1934)	78.7	78.4	79.1
U. S. Labor (Dec.) .	70.8	71.1	62.6
Gt. Brit.* (Dec.) ...	69.6	69.6	68.1

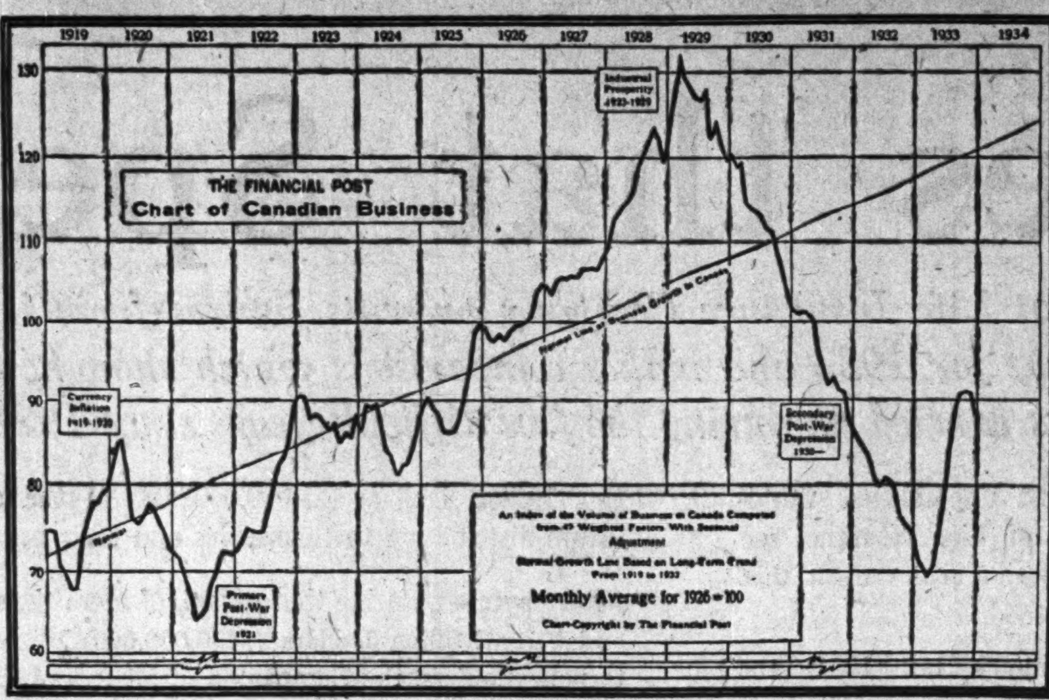
*N. Y. Annalist base, 1913, others 1926 = 100.

*Board of Trade Index, converted from 1913 base.

§Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; silk—Japanese, 13-15, New York; sugar—96 degrees centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

Business Conditions in Canada

Declines at Close of 1933 Prove Temporary Halt



Favored by constructive developments in the financial background, business operations took a turn for the better in January. While the general tendency was toward higher levels, considerable unevenness was in evidence. Nickel, silver and zinc were bright spots in the mineral production picture, while gold shipments were practically maintained. The meat packing industry showed greater activity as measured by inspected slaughterings. Textile imports for further manufacture were at a lower level. The paper, lumber, steel and motor groups speeded up operations and the railway freight movement made a spectacular display.

RETAIL DEALERS OF VANCOUVER, B.C ADOPT TRADE CODE

Will Eliminate Loss-Leaders, Fix Standard Grades for Goods

Independent grocers and meat dealers of Vancouver have banded together in the formation of codes of fair business practice, obviously inspired by N.R.A. legislation of the United States.

Chief resolution of the grocers' code, as it affects wholesalers throughout Canada, urges that manufacturers discontinue the practice of supplying and paying for window display space for their products and of supplying free demonstration privileges and making allowances for newspaper advertising.

Net invoice cost plus ten per cent is set as the minimum price at which goods may be offered to the public for sale at retail, anything below this price being considered unfair competition. This does not purport to restrict seasonal clearance of merchandise, sale of damaged or perishable goods when plainly marked, or sale at lower than net invoice cost plus ten per cent for the purpose of clearance of a discontinued line of goods.

Oppose Gift Articles

Other resolutions urge that no grocer practice price discrimination in his district; that butter be graded and recognized in its various grades; that manufacturers and wholesalers discontinue the practice of selling goods to employees at less than retail cost. Further, it shall be considered unfair practice to advertise or display a combination of goods involving the giving away of one or more articles.

Meat dealers were unanimous in deciding that all advertisiing should clearly indicate the exact grade of meat, in order that the consumer may judge its value. Meat packers should stamp all meats according to grade, they decided, beef to be sold as steer beef, heifer beef, cow beef, etc.

Retail Prices Advance Led by Foodstuffs

The general index of retail prices, rents, and costs of services rose from 78.4 in December to 78.7 for January. Indexes for two groups were higher, one was lower, and two were unchanged. An index for retail prices alone advanced from 72.5 to 73.0. When foods were removed from this index it was unchanged at 78.0.

The index for 46 food products moved up from 66.6 to 67.7, higher prices for meats, butter, potatoes, and tea outweighing reductions for eggs. The fuel and lighting index changed from 87.2 to 87.3, owing to slightly higher prices for coal and coke. The index for miscellaneous items declined from 94.1 to 94.0, a slight advance in the sub-index for medicines being more than offset by declines in toilet requisites.

Footwear Production Gains Approximately 7 Per Cent

Total production of leather footwear in 1933 amounted to 19,221,303 pairs, according to the monthly statements, as compared with 17,879,218 pairs in the previous year. While monthly statements do not include production of all factories, they represent approximately 97 per cent of the total for the year. For example, the actual production in 1932 was 18,376,123 pairs.

Production in the first four months of the year was behind that of 1932 while the December total of 944,816 pairs was also behind the corresponding month of that year. Chief gains were made in June, July and August.

Business Briefs

Failures under the Bankruptcy Act during the week ended Feb. 10, numbered 29 as compared with 39 in the corresponding week of 1933. Failures to date total 166 as compared with 257 in the same period of 1933, a decrease of 35 per cent.

Pig Iron production in January amounted to 30,677 tons as compared with 38,612 tons in December and 29,209 tons in January a year ago.

Steel Ingot production in January totalled 60,787 tons, the best monthly total since the 75,235 tons of May, 1931. It was 25 per cent above the 49,557 tons of December and 49 per cent greater than the 40,766 of January a year ago.

Car Loadings in the week ended February 10 amounted to 40,505 cars, an increase of 1,052 cars over the previous week and 32 per cent greater than in the corresponding week of 1933.

Business Index Resumes Upward Trend in January

After Two Months of Decline The Financial Post Business Index Rises as Carloadings, Financial Factors and Exports Gain

By SYDNEY B. SMITH

Business operations in Canada showed expansion in January over the preceding month, some irregularity being in evidence with the prevailing trend tilted upward. The Financial Post business index in its preliminary form was 88.6 in the first month of the year compared with 88.2 in December. The high point of 1933 was reached in October, when the standing was 91.3. A recession was shown in the last two months of the year, the trend being reversed in January with the resumption of the advance. The minimum of the depression in industrial production was sounded in the first quarter of last year but the marked recovery in the second and third quarters has resulted in a very much higher level of operations than in the corresponding period of 1933.

The financial background in January was of itself an encouragement toward the expansion of business operations. A noteworthy development was the considerable advance in commodity prices. The official index of 567 commodities moved up from 69.0 in December to 70.6 in the month under review, and the large proportion of increases among the included commodities added significance to the advance. Each of the eight main groups except chemicals showed gains and in this group the index was nearly maintained. Crop and animal products moved forward briskly, responding to external currency developments.

Stocks and Bonds Strong

The index of 121 common stocks was 81.6 in January compared with 75.3, indicating the more confident tone on the Canadian stock markets. The index of 23 mining stocks moved up from 105.1 to 108.9.

Considerable strength was also shown in Dominion Government bonds, as indicated by the decline in the yield to maturity on four refunding issues. Bank deposits at the beginning of the month showed a somewhat higher level than at the beginning of December. Each of the six major factors of economic importance moved into more favorable positions in January, justifying the optimistic attitude which is rapidly becoming more general.

Minerals—Three out of seven factors available showing the trend of mineral production recorded gains in January over the preceding month after seasonal adjustment. Nickel exports supplied a bright spot in the records of the month. Total shipments to external points were 11,229,800 pounds compared with 6,424,806 in December. Shipments were in excess of 10,000,000 pounds in each of four months in 1933, but the exports of January were greater than in any month of last year. Exports of copper amounting to 18,070,900 pounds were at a high level, but somewhat less than in December.

Zinc moved freely to external points, the total being 16,413,000 pounds compared with 14,032,800 in the last month of 1933. Gold shipments before seasonal adjustment were nearly maintained. Mint receipts were 234,455 fine ounces and 11,874 ounces were exported, making a total of 246,329 compared with 246,806 in December. Shipments of silver were 1,109,600 ounces compared with 1,035,835, the adjusted index being 68.0 compared with 64.4. Asbestos exports and bauxite imports for the manufacture of aluminum were at somewhat lower levels.

Meat Packing — The slaughtering and meat packing industry was considerably more active in January. Inspected slaughterings of cattle and calves were 91,354 head compared with 67,326, the index moving up from 82.6 to 142.1. The marked increase of nearly 58 p.c. was shown after seasonal adjustment in the slaughter of sheep and lambs. The hog slaughterings at 269,531 compared with 252,699 showed an adjusted gain of about 6 p.c. The index of livestock slaughterings was consequently 121.6 in January compared with 92.8 in December.

Milling—The milling industry was quiet in the latest month for which statistics are available, and a decline was shown in the manufacture of sugar in the first four-week period of the year.

Food Exports—Cheese exports were at 1,234,100 pounds compared with 6,408,500, much of the decline being explained by seasonal considerations. The export of canned salmon showed a gain after seasonal adjustment, external shipments being 3,930,900 pounds in January.

Tobacco—The decline in the release of raw leaf tobacco, cigars and cigarettes was greater than normal for the season.

Rubber—The production of pneumatic casings showed a decline in the last month for which statistics are available. Imports of crude rubber were 3,854,000 pounds, the adjusted index declining from 111.7 to 101.6. The output of the boot and shoe factories was not so large in the latest month for which statistics are available, following the high levels of operation in the greater part of 1933.

Textiles—Imports of raw materials by the textile industry showed decline in January. Receipts of raw cotton were 8,499,000 pounds compared with 19,803,000 in December. The index of the imports of cotton yarn and thread was 83.2 compared with 132.6. The gain in the imports of raw wool and yarn was less than normal for the season, the total being 2,076,000 pounds compared with 1,877,000.

Lumber—The forestry group was more active in January, the index moving up from 88.4 to 96.4. Output of newsprint was 188,374 compared with 175,304, the adjusted index being 122.0 compared with 117.2. The decline in pulp exports was less than normal for the season, the adjusted gain being 4.5 p.c. The export of planks and boards was 93,983,000 feet compared with 99,393,000, a considerable gain being shown after seasonal adjustment. The adjusted index of the export of shingles was 54.1 compared with 46.4.

Iron and Steel—Owing mainly to the gain in the production of steel ingots and motor cars, the index of the iron and steel group moved up from 45.1 to 55.5. The index of the output of steel ingots was 97.9 compared with 82.9, while a considerable decline was shown in the production of pig iron. The index of the imports of iron and its products was 5.5 p.c. higher. The gain in the output of motor cars indicated considerable increase in the operations of the industry. Imports of crude petroleum were more than maintained after seasonal adjustment, the total being 57,603,000 gallons compared with 64,970,000 in December. The adjusted index was 141.3 compared with 140.7 in the preceding month.

Construction—The construction industry was inactive, though the award of contracts showed a gain over December after seasonal adjustment. Building permits were at a lower level. Carloadings were 176,469 compared with 157,581 in December, the gain after seasonal adjustment being 22 p.c. The revival in the movement of freight was a favorable development of the month. Exports at $47,118,000 made a good showing in January, while imports recorded an adjusted decline from the preceding month.

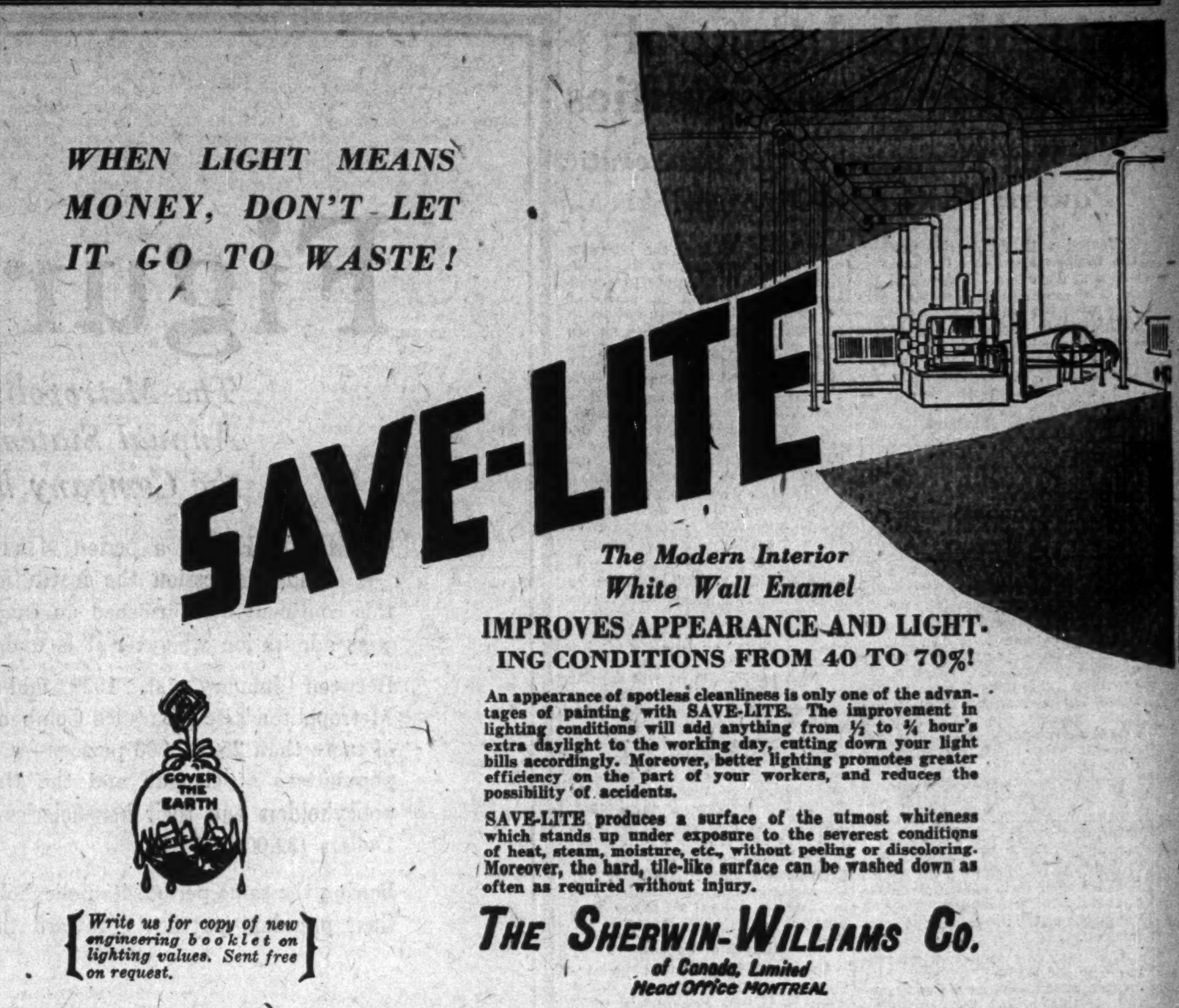
Canadian Business Indicators

Compiled by The Financial Post

▲Denotes new figures this week.

	Weekly Latest 1934	1933	Cumulative Jan. 1 to date 1934	1933
Transportation—				
Car loadings (Feb. 10)	▲40,595	30,691	236,845	186,397
C. P. R. gross earn. (Feb. 14)	$ ▲2,095,000	$ 1,711,000	$ 13,220,000	$ 11,167,000
C. N. R. gross earn. (Feb. 14)	$ ▲2,747,848	$ 2,316,046	$ 16,971,481	$ 14,274,503
	Monthly 1933	**1932**	**Cumulative Jan. 1 to date 1933**	**1932**
C. P. R. net earn. (Dec.) ..	$ 3,246,397	$ 2,510,749	$ 20,862,105	$ 20,089,984
C. N. R. net earn. (Dec.) ..	$ 709,126	$ ‡135,722	$ 5,707,183	$ 5,895,434
Iron and Steel—				
Pig iron, tons (Jan., 1934) ..	▲30,677	29,209	......	......
Steel, tons (Jan., 1934)	▲60,787	40,766	......	......
Auto. prod. No. (Jan., 1934)	▲6,904	3,358	......	......
Auto Vehicles—				
Passenger, sales, No. (Dec.)	800	848	39,568	38,621
Trucks & buses, sales, No. (December)	167	190	5,764	7,249
Auto. exports, No. (Dec.) ..	1,657	1,132	20,900	13,022
Construction—				
Building permits (Dec.)	$ 1,975,855	$ 1,569,255	$ 21,629,783	$ 42,319,397
Contracts (Jan., 1934)	$ 6,702,900	$ 3,362,400	......	......
Newsprint—				
Production, tons (Jan., 1934)	▲188,374	140,539	......	......
Exports, tons (Jan., 1934) ...	▲187,820	127,779	......	......
Sugar—				
Imports, raw, lbs. (Dec.) ..	12,718,800	22,731,400	486,962,000	674,635,900
Melt. & ship., lbs.*	16,621,105	18,766,629	......	......
Manufactured, lbs.*	22,667,397	27,303,183	......	......
Flour—				
Production, bbls. (Dec.)	967,284	1,009,799	13,883,461	14,465,164
Wheat flour exp., bbls. (Jan., 1934)	▲448,498	397,304	......	......
Other Industrial Indices—				
Lumbering: Plank & Board Exports, mill. ft. (Jan., '34)	▲93.98	39.17	......	......
Boots and shoes, pr. (Dec.)	944,816	978,064	19,221,303	17,879,218
Petroleum, imp., crude gal. (December)	64,969,634	32,807,694	954,392,366	889,838,742
Cotton, imp., raw, lbs. (December)	19,803,000	13,819,000	119,698,192	97,356,000
Rubber, raw, imp. lbs. (Dec.)	3,972,000	2,109,000	48,283,451	46,854,675
Coal, imports, tons (Dec.)	906,931	893,636	11,485,224	11,673,428
Gasoline sales, gals. (Nov.)	43,856,000	38,237,000	473,288,000	474,107,100
Trade—				
Imports (Jan., 1934)	$ ▲32,391,424	$ 24,441,132	......	......
Exports (Jan., 1934)	$ ▲46,652,017	$ 31,561,813	......	......
Wheat exports, bu. (Jan., '34)	▲7,088,311	14,706,801	......	......
Labor—				
Employment Index (Jan.) ..	88.6	78.5	......	......
Electric Power—Output—				
M Kilowatt hours (Dec.) ..	1,707,885	1,433,191	17,552,999	15,862,086
Finance—				
Failures, No. (November) ..	155	229	1,885	2,224
Failures, Liabilities (Nov.) .	$ 1,939,833	$ 4,342,717	$ 30,609,086	$ 38,849,423
Bank debits (Dec.)	$ 2,492,000	$ 2,085,000	$ 29,981,544	$ 25,844,683
Bond sales (Jan., 1934) ...	$ ▲43,799,000	$ 20,192,610	......	......
Insurance sales (Dec.)	$ 37,376,000	$ 33,483,000	$ 364,050,000	$ 403,923,000
Automobile Financing—				
Used cars (December)	$ 426,109	$ 658,822	$ 10,125,306	$ 13,124,289
New cars (December)	$ 307,656	$ 473,433	$ 10,029,092	$ 12,741,358

*Four weeks period, Jan. 6 to Jan. 27, 1934. †(000's omitted). ‡Deficit.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Head Office MONTREAL

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Electric United of Canada, Ltd., will shortly commence manufacture in Sarnia, utilizing a portion of the Wallaceburg Brass Co. plant. The company will manufacture stove elements, Hot Point heaters and a variety of other electrical equipment.

Yocum-Faust, Ltd., manufacturing chemists, London, Ont., has let a contract for a $13,000 addition to its plant.

International Nickel Co. announces that it will install four new converters in its smelter plant at Copper Cliff at a cost of $1,000,000.

Norton Co. of Canada, Ltd., is preparing to manufacture the products of the Norton Pike company, a subsidiary of the United States parent company, in its Hamilton plant. The chief product is sharpening stones for the hardware trade. The company is also contemplating the manufacture of heavy refractories in its Hamilton plant.

Kol-or-ama Fireplace Co. is the name of a new concern established in Jeddore, N.S., to manufacture a patented artificial stone fireplace. Otho A. Gibbons is head of the con-

Radio Unit Sales Lower Average Price Reduced

Sales of radio receiving sets in Canada by authorized manufacturers and importers during 1933 numbered 130,493 sets valued at $5,383,846, factory selling prices. Compared with the data for 1932 when 133,454 sets were sold for $6,758,959 this year's figures represented a decline of 1.5 per cent in volume of sales and 20.3 per cent in the income from sales. Corresponding totals for other years amounted to 286,122 sets at $18,141,347 in 1931 and 223,228 sets worth $22,776,225 in 1930.

At the beginning of 1933 radio manufacturers had on hand 32,175 machines which, with the year's production of 112,273 sets, made available for sale a total supply of 144,448 Canadian-made receiving sets. Out of this available supply sales during 1933 accounted for 130,493 while inventory on December 31 was reported at 13,059 sets. Of the total sales, Ontario took 41 per cent; Quebec, 20.3 per cent; Saskatchewan and Alberta, 121.1 per cent; British Columbia, 10.2 per cent; Manitoba, 9.6 per cent and the Maritimes, 6.7 per cent.

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Iron-Handed Control Quebec Municipalities

Two-Man Commission Has Autocratic Powers; To Control Montreal Area

Vested with dictatorial powers, the Quebec Municipal Commission can and does rule the financial affairs of municipalities of the province with the iron hand of a Mussolini. Only exemptions from its control have been the municipalities under the Montreal Metropolitan Commission, controlling body for the densely populated island of Montreal on which are located, among others, Montreal, Westmount, Verdun, Outremont and Lachine. And now all the Montreal municipalities are going to be taken under the wing of the provincial commission. This will occur May 1, when two years exemption granted to the Montreal area at the time of enactment of the legislation will expire. This may mean wide changes in administration of municipal finances in the entire area.

The two members of the Quebec Municipal Commission and their delegates have charge of the affairs of some 80 defaulting bodies in the province. This does not mean that there are 80 municipalities in default because the total includes school boards and districts and parishes in which there is overlapping with municipalities. The commission also inspects municipal affairs, licenses municipal auditors, arranges debt compromises in some cases, and so on.

Nowhere else in Canada, and probably in few places in the world, is there such rigid control over the financial affairs of municipalities as in Quebec under the provincial commission.

Criticism of commission government by Sir William Mulock, Chief Justice of Ontario, as his contribution to his recent 90th birthday celebration, makes the strict commission administration of Quebec's municipalities of current interest. And the spread of defaults in the ancient French province indicates the importance of the commission's functions.

Oscar J. Morin, K.C., deputy minister of municipal affairs, Quebec, is president of the two-man commission. His fellow commissioner is L. E. Potvin, of Montreal.

Created in 1932

Before creation of the Quebec Municipal Commission by an act of Feb. 19, 1932, the department of municipal affairs had been in charge of finances of Quebec municipalities. A bureau of inspector-auditors had been established to investigate and check municipal borrowing, accounting and such matters. This organization did not have the wide powers that have been deemed necessary in the present difficult period of municipal finance; and shortly after defaults began to break out in 1931, the municipal commission was created by special act of the legislature.

What does the commission actually do? How does it handle a defaulting municipality? A sketch of the main course of action, from the time before default occurs until after a settlement is reached, is as follows:

The commission has inspector-auditors travelling from one municipality to another. They often call unexpectedly. Inspectors also make their own examination and analysis of statements of municipalities returned to their department regularly in most cases. If one of these men finds a condition in a municipality's affairs that indicates need for action by the commission, he reports it to Quebec. The chief inspector may then go into the matter himself, or he may send a firm of accountants in to investigate the municipality's affairs extensively. When the details are ready they are submitted to the two commissioners.

Take Request to Court

The commissioners may agree that the municipality be placed under its rigid control, or that it be declared in default. If they do, the case is taken to the superior court judge in the district in which the municipality is located. If they don't, the Lieutenant-Governor in Council can settle the question. By taking court action, requesting control, the commission gives ratepayers and the municipality an opportunity to contest the case. But objections have been rare, and usually the judge has given the commission the desired order declaring the municipality to be in default. From this order there is no appeal. Mussolini-like control of the municipality's affairs commences. Having acquired complete charge of the municipality's affairs, the commission appoints a delegate to do the active work of controlling. Instead of a board of supervisors, a single individual is the financial ruler, manager and treasurer. It is the policy to put a man from outside the district into this responsible position, not a resident who might be swayed by local interests or prejudices. In a district like that surrounding Lake St. John, where there are a number of municipalities in default, the delegate may appoint sub-delegates each responsible for control of one area and in turn responsible to him.

The delegate and his sub-delegates are the bosses, the Mussolinis. Local councils continue to function, but if they wish to make a financial move in opposition to the delegate, the latter can stop it. The delegate, of course must keep in touch with the commission. As local manager for the provincial body, he instructs the municipal officials on what to spend, how to assess, and tax, and as to prices that are to be charged for municipal services.

Arranging Settlement

Eventually the affairs of the municipality become ready for adjustment; some compromise or refunding scheme with the creditors' and bondholders' consent. The municipal commission may have arranged payment for defaulted obligations. The commissioners, or their representatives, may have discussed some form of adjustment with the local councillors. The commission probably draws up some form of adjustment. It does this as representative in effect of the interests of both bondholders and the municipality. So it attempts to devise some scheme within the power of the municipality to pay, but without causing undue sacrifice on the part of creditors. When a scheme has been devised, it calls a public meeting of creditors and investors.

Known bondholders are circularized. Advertisements of the meeting are published. A circular describing the proposed adjustment is issued. To vote at the meeting, bonds must be deposited with a trust company or a bank to obtain a voting certificate, just as in a meeting of a bankrupt's creditors or of those of a defaulting corporation.

To obtain consent to any adjustment scheme, Quebec law requires that consent of 60 per cent of the creditors, by value, must accept the proposal to make it binding on all creditors. So far the commission has had difficulty in getting this large a proportion in any specific instance. Where those present represent some 50 per cent of creditors by value and strongly favor the adjustment, however, and where efforts to find remaining creditors have been fruitless, it is probable that legislation will be asked to ratify the scheme of adjustment. This has not been done in any case yet, it is understood. But it is believed that failure of half the creditors to show an active interest may be recognized by the legislature, and action taken to make such schemes binding on all.

Extent of Control

One would imagine that the commission's work ended there. But it doesn't. It may continue to exercise complete or partial financial control of the municipality, through its delegate for several years. This can be done, in part, for instance, by control of borrowing powers over which the commission has authority. Even a small bank loan for temporary purposes requires commission sanction.

Control of the commission over municipalities includes all such corporations whether governed under special or general act of the legislature, including school districts, townships, towns, cities, and even parishes, where, however, the consent of the bishop is a requisite to certain commission action. The Montreal municipalities are outside the provincial commission's jurisdiction.

Just how autocratic control runs throughout the Quebec system of municipal administration is shown by certain terms of the act creating the municipal commission, as follows:

The commission consists of two members, appointed for ten years, but who may be removed by the Lieutenant Governor in Council for cause. The commission may investigate any situation in person, or by appointees, and can have access to all municipal records and accounts. The Lieutenant Governor in Council can tell the two commissioners where they shall reside, can make the sheriff provide quarters for meetings in a principal town, or make the local council chamber available in smaller places.

Approval of Loans

The commissioners can appoint whom they please to investigate and administer a municipality's affairs, and the province pays the cost. However, the commission has the power to order the municipality to pay, and can sue for costs of administration. All borrowing must have the approval of the commission to have validity, and by section 28 of the act, the necessity and expediency of the loan, and the financial position of the proposed borrower, are to be taken into consideration by the commission in granting permission to borrow. What is more, the commission can make enquiries to see that the borrowed money is used for the purpose for which it was raised. The commission can arrange to get an order declaring a municipality in default on petition of a municipality or of 25 per cent of creditors by value.

Controls Finances

When the commission is in control of a defaulting municipality, all moneys collected by the defaulter must be deposited in the bank to the credit of the commission in trust for the municipality. Funds may be withdrawn only on the authority of the commission or its appointed delegate. If a defaulting municipality doesn't conform to the commission's orders respecting taxing, issuing permits and licenses, and prices to be charged for municipal services, the commission may take over all powers of administering these matters.

Power to hire and power to prevent or to arrange "firing" employees in a defaulting municipality may be taken by the commission. A defaulting municipality cannot issue a valid promissory note for more than $100 without the commission's approval. If such an unauthorized note is issued, it may be invalidated. If necessary the commission may order tax sales.

Close observers feel that this autocratic control would not be possible elsewhere in Canada than in Quebec for political and psychological reasons. But it is the hope of Quebec authorities that strict supervision may eventually improve the credit of municipalities, and consequently allow them to borrow at the lowest rates of interest.

Ritz Carlton Hotel Does Better Last Year

From Our Own Correspondent

MONTREAL. — Notwithstanding a falling off in business, due to the general conditions prevailing during the year, financial returns of the Ritz-Carlton Hotel for 1933 were more satisfactory than those of the preceding year, according to a statement made at the annual general meeting of the shareholders. This improved showing was effected by further economies in operation. In the last few months of the year, a slight improvement was noted in the volume of business handled by the company.

Figures that Speak

The Metropolitan Life Insurance Company presents figures from its Annual Statement for 1933 and makes comparisons which show how the Company has carried on during the five difficult years since 1928

THROUGHOUT a period of almost unparalleled world-wide depression the institution of Life Insurance on this continent has furnished an example of achievement that wins admiration wherever it is understood.

Between January 1st, 1929 and January 1st, 1934, the Metropolitan Life Insurance Company, which insures the lives of more than 25,000,000 persons—nearly one-fifth of the total populations of Canada and the United States—paid to its policyholders and their beneficiaries more than Two Billion Dollars ($2,000,000,000).

During the same period, its policyholders contributed, through their premium payments, toward the increase of more than One Billion Dollars ($1,000,000,000) in the assets held for future distribution to themselves and their beneficiaries.

After payment, during that period, of more than Four Hundred and Fifty Million Dollars ($450,000,000) by way of dividends to policyholders, the Company's surplus was increased by more than One Hundred Million Dollars ($100,000,000).

These figures, of one company alone, are striking evidence of the reliance which the people of Canada and the United States place on the security and protection of life insurance.

Life Insurance is the most effective and satisfactory means of providing for the future of one's self and one's dependents.

	December 31, 1928	*December 31, 1933*	*Increase in Five Years*
Assets	$2,695,475,965.64	$3,860,761,191.39	$1,165,285,225.75
Statutory Policy Reserves	2,374,118,707.00	3,358,462,467.00	984,343,760.00
Other Liabilities	161,281,258.71	216,175,691.68	54,894,432.97
Surplus, including Contingency Reserve	160,075,999.93	286,123,032.71	126,047,032.78
Insurance in Force	16,371,956,002.00	18,802,984,818.00	2,431,028,816.00
	During the year 1928	*During the year 1933*	*Total for Five Years*
Dividends paid Policyholders	67,904,719.32	101,790,536.56	450,608,045.72
Total paid Policyholders and Beneficiaries (including Dividends)	283,396,831.69	572,679,580.85	2,319,359,211.70

Report for the Year Ending December 31, 1933

(In accordance with the Annual Statement filed with the New York State Insurance Department)

Assets		$3,860,761,191.39
Liabilities		
Statutory Policy Reserves		$3,358,462,467.00
Reserve for Dividends payable in 1934 upon		
Industrial Policies	$45,232,899.00	
Ordinary Policies	48,188,553.00	
Accident and Health Policies	1,809,000.00	
Total Reserve for Dividends		95,230,452.00
All Other Liabilities		120,945,239.68
Contingency Reserve		43,000,000.00
Unassigned Funds (Surplus)		243,123,032.71
		$3,860,761,191.39
Income in 1933		871,233,003.33
Increase in Assets during 1933		91,388,766.11

Note—The values used for stocks and for bonds not subject to amortization are those furnished by the National Convention of Insurance Commissioners. On the basis of market values, as of December 31 1933, of stocks and of bonds not subject to amortization, the Total Assets are $3,837,723,706.21, the Contingency Reserve $19,962,514.82 and the Unassigned Funds (Surplus) $243,123,032.71.

Life Insurance in force	
Ordinary Insurance	$9,936,236,416.00
Industrial Insurance (premiums payable weekly or monthly)	6,424,469,056.00
Group Insurance	2,442,279,346.00
Total Insurance in force	$18,802,984,818.00
Policies in Force (including 1,352,614 Group Certificates)	41,660,510

Paid-for Life Insurance Issued, Revived and Increased in 1933, $3,174,994,475. Ordinary, $1,583,300,706; Industrial, $1,505,470,439; Group (excluding Increased) $86,223,330.

Accident and Health Insurance in force	
Principal Sum Benefit	$1,213,622,700.00
Weekly Indemnity	12,536,918.00
Dividends Paid to Policyholders to date plus those declared for 1934	$918,472,210.17

CANADIAN BUSINESS

Insurance in force in Canada at end of 1933		$1,008,213,378
Ordinary	$580,219,141	
Industrial	363,058,040	
Group	64,936,197	
Insurance Issued in Canada in 1933 (including business revived and increased)		$213,638,854
Ordinary	$116,438,139	
Industrial	95,524,241	
Group (excluding increased)	1,676,474	

Investments in Canada		$246,233,408.08
Dominion and Dominion Guaranteed Bonds	$51,200,019.77	
Provincial, Municipal, Provincially Guaranteed and Municipally Guaranteed Bonds	111,459,189.60	
All other investments	83,574,198.71	
Policies in force in Canada (including 36,581 group certificates)		2,648,986
Ordinary	397,399	
Industrial	2,215,006	
Group (certificates)	36,581	
Payments to Canadian Policyholders in 1933		$30,756,783.92

METROPOLITAN LIFE INSURANCE COMPANY

Home Office: NEW YORK

FREDERICK H. ECKER
President

LEROY A. LINCOLN
Vice President and General Counsel

This is a mutual Company. There are no Stockholders.

All of its assets are held for the benefit of its Policyholders.

Canadian Head Office: OTTAWA

HARRY D. WRIGHT
Third Vice President and Manager for Canada

"Serving Canada since 1872"

Your Investments

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Audit Clearing House Would Aid Investors

Defects in Machinery for Making Knowledge of Auditors Available for Shareholders Should be Remedied—Utter Frankness is Remedy

By F. W. WEGENAST, K.C.,
Author of "Canadian Companies"

The abuses resulting from defective auditing have been left to the sixth article in this series on the general principles and considerations that legislators should have in mind when considering changes in company law in the next few months.

Experience in England offers no parallel to the breakdown in values of stocks and securities experienced in the United States and Canada during the last five years, and it has been suggested that this was due to the difference between the English and the American practice in the matter of stock-watering. But some of the difference is also due to superiority in the English methods and morale of auditors.

I have before me the balance sheet of a Canadian company prepared and certified by an experienced firm of auditors in good standing. It shows among the assets an item of "Rights, Privileges, etc." amounting roundly, to $1,000,000. This item represented the fictitious consideration given by the promoter for an issue of $1,000,000 of common stock for bonusing purposes. There was no asset, tangible or otherwise, to justify the item. It was represented by a perfectly inactive account charged with that item alone. The company had been in business less than a year. It had not taken over any existing business. It had no patents or similar rights. There was nothing new or original in the business it was trying to build up.

In the same balance sheet there is another item in the assets of "Incorporation Expenses" of $32,252. It seems impossible, by any argument based on common sense, to justify such an item. The $32,252 was spent; it was gone; it was not an asset. Why not say so? It may have been worth $32,252 to have the company incorporated. If so, that worth should be shown elsewhere. In cold fact the capital of the company was depleted by the two amounts above mentioned. The auditor would no doubt say that if the items had been shown as a depletion of capital someone might have got an order winding up the company. Exactly. Why not?

What could possibly be said in defense of the auditor's recognition of such items except that it was in accordance with a demoralized auditing practice now in vogue?

Swallows the Camel

What seems perfectly clear is that stock watering could be made difficult, if not impossible, by a frank disclosure of facts which are apparent to the auditor or could be discovered by him. It is safe to say that in all cases of stock watering the auditor knows what the condition is. His arguments for withholding demonstration or comment would always be that "After all the auditor is not a valuator. He has to go by the books, etc." An auditor would never admit that the actual facts had escaped his vigilance. Why should he not in some effective way share his knowledge with the shareholders, whose representative and guardian he is supposed to be? Is there not something radically wrong with a system of auditing that will strain at a few cents of petty cash or a few dollars of depreciation and will swallow millions of dollars of watered capital?

Damages

The auditing practice in the matter of watered stock is the more difficult to defend in the light of the strictness with which auditors have learned to guard against paying dividends out of capital. It has so happened that in a number of cases in the courts auditors have been held liable in damages for substantial amounts for having issued statements on the basis of which dividends have been paid which were afterward found to have come out of capital. These cases have naturally impressed their lessons and have resulted in an attitude of meticulous care on the part of auditors toward this particular form of depletion of capital. It is, of course, quite arguable that an auditor is equally liable for damage which might result to anyone because of failure to disclose that stock was issued for inadequate consideration or was otherwise diluted. But as there has been no decided case in the courts imposing such a liability auditors have not felt called upon to feel the same apprehension.

"Putting it up" to Auditors

These facts when realized and analyzed suggest a variety of observations. It might seem a strong statement that in some of its most important bearings the present auditing practice is little more than an imposing farce, but is it not true? However, we are dealing with a human agency, and one subject to strong temptation and pressure, and it is more to the point to consider how the practice could be improved. Our companies acts do lay down some elementary rules as to the contents of financial statements, but in the nature of things it is difficult by legislation to define and circumscribe financial honesty. How would it do to develop the idea of our Quebec legislature and provide by law that whenever an auditor has reason to think that the stock of a company is or may be wholly or partly of the kind commonly called "watered," he shall so state in his report to the shareholders, and in default of his so doing shall be liable for any loss suffered by any shareholder by reason of such default?

Variations and elaborations of this suggestion will occur to anyone familiar with present conditions. What is there unpractical or drastic about it? Nothing but the fact that the conditions which it would be designed to remedy are so widespread that the literal application of the remedy would be a shock. In other words, it would be an effective remedy.

The Auditor "Knows"

Someone may say: Why put this load on the auditor? The answer is: Because he is in a position to take on the task. If he does not, it will have to be someone else with auditing experience, that is, if the task is to be performed. Then, as has been pointed out, the auditor of the company necessarily has the special knowledge required for the task. He knows. What valid argument is there for not asking him to put his knowledge into words? If he did not know he would be in a position to find out. If he could not find out he could say so in his statement. And if the suggested liability in damages would be too severe, let us set up some other penalty or inducement. But make him, in the language of the day, "do his stuff"—that is if you really want a remedy.

Audit Clearing House Needs

It lies on the surface, of course, that auditors themselves might adopt standards which would attain the results above suggested. But it will occur to anyone that unless there were a sufficient sanction or inducement to constrain all auditors to live up to the standards the more scrupulous firms might suffer in the competition for business. And this brings us back to the suggestion of some bureau or official or tribunal to serve as a clearing house of auditing practice. It does seem arguable that the ordinary courts are scarcely in a position to undertake the task of supervising the practice of auditing; and it seems impossible to deny that some special tribunal with jurisdiction over methods and practices of company auditing would exercise a more prompt and effective remedial influence upon the practice than mere enactments that auditors shall do thus and so.

Would Affect Practice

Indeed it seems sufficiently difficult to lay down statutory rules to meet all the kinds of undesirable practice that are possible. Hence it would seem desirable to have some body or official with jurisdiction to apply rules sufficiently flexible to meet exigencies as they arose—and with a certain power to lay down rules—in short, a body which could be blamed if the auditing practice were not what it should be. There can be little doubt that the exercise of such a jurisdiction would have an effective influence on auditing practice. Auditors themselves would be only too ready to have the reputation of acting in conformity with the rules and wishes of the supervising authority.

Suppose there were an official to whom all auditors' statements—or say all those of public companies—had to be submitted, or might be submitted. The function of such an official might be merely to report to the shareholders, or to make some public report that the statement appeared to be in satisfactory form. This would necessarily mean that the statement was, or at least appeared to be, in compliance with the requirements of the statute and such other rules as might be laid down under the authority of the statute. At present it is very difficult to bring home to the auditor or to the company any noncompliance with the law if the majority of the shareholders are ready to condone the breach.

Advantage of Supervision

Various ancillary provisions suggest themselves: for example, that the annual election of directors should not be proceeded with unless such approval of the auditor's statement had been obtained; or that it should be open to ten per cent of the shareholders to require that the election should be so deferred. This would, of course, still leave room for fraud, but certainly not more than at present, and what we are concerned with for the moment is the auditing practice.

Take the case above mentioned where an appraisal company had arbitrarily raised the value of a body of assets standing on the books at $600,000, by setting up in a separate account $700,000 of "appraisal increase." If some authority had required a distribution of this amount among the various items of the company's assets the whole scheme would have been disclosed, and probably rendered impossible. The trust company would not have certified the bonds. The bonds would not have been issued, and $900,000 would have been saved to the purchasers of the bonds.

Preliminary Statement Advisable

Another provision which would seem to promise salutary results would be a requirement that at the time of commencing business, or within ten days thereafter, there should be submitted to the shareholders, and perhaps filed with some authority, a preliminary financial statement, preferably in the form of a balance sheet, showing the capital set-up and the initial financial position. Such a statement should reflect the opening journal entries in the company's books. The auditor certifying it should be the auditor at the next annual meeting unless in the meantime displaced by a meeting of shareholders. Those who know predatory financial practice know how embarrassing such a requirement would be, especially if such a statement had to be published along with the prospectus on pain of rendering subscriptions unenforceable and voidable. And auditors will realize the effectiveness of establishing a continuity between the initial financial statement and the statement submitted to the first annual meeting by the auditor of both. And something would come out of the disposition of the promoters to secure in the prospectus the name of an auditor commanding public confidence.

This is the sixth article by Mr. Wegenast in a series devoted to indicating the various abuses which have crept into methods of financing and running companies and to suggesting some remedies that might be taken into consideration by legislators now or about to give considerable attention to amending the various company laws in Canada. The articles that preceded this one on "Defective Auditing" were in order of consecutive appearance on the following subjects: misrepresentation; stock watering or illusory capitalization (two articles); abstraction of the vote and the abuse of majority control.

Mr. Wegenast will follow these articles either next week or in an early number by a discussion of the relations of the Dominion and Provinces in trying to administer under ten companies acts.

Enquiries

Southern Canada Power

Will you please let me know the trend of earnings and dividends on the common stock of Southern Canada Power Co.? What dividend is the company now paying?

Between 1928 and 1932 Southern Canada Power paid dividends of $1 a share on the common stock. In the 1932 fiscal year, earnings dropped to 94 cents a share, which necessitated drawing upon reserves to meet the dividend. In the fiscal year 1933, earnings again dropped, this time to 80 cents a share, which made it necessary for the company to appropriate $73,618 from reserves in order to cover the dividend. The stock now has been placed upon a dividend basis of 80 cents a share and the current trend of earnings would indicate that the company will be able to maintain that rate.

Harding Carpets

Can you give me any information about Harding Carpets Ltd.? Is there any possibility of a dividend within a year or so? How was the stock originally issued?

Harding Carpets Ltd. showed substantial improvement in operating results in the year ended October 31, 1933, with net earnings from operations of $25,835 as compared with an operating loss of $22,864 in 1932 and a loss of $5,810 in 1931. For the first time in four years the company was able to set aside reserve for depreciation, which amounted to $26,027 and it paid interest on borrowed money to the extent of $9,541. Deficit was, therefore, reduced only by $267. and the company carried forward a deficit of $38,595. At October 31, 1933, there was working capital of $88,820 but current assets largely consisted of inventories and accounts receivable. The company had only $1,469 in cash and bank loans of $147,000. Bank loan has been reduced each year since 1930 when it stood at $231,000.

A. E. Cuthbertson, president of the company, reported that inventories were in excellent condition and that the liquidation of distressed stocks that blocked the outlet for new merchandise in 1932, had ceased and the demand on the mills had resumed. Prospects for 1934 were stated to be encouraging. Stock of the company was originally issued in 1927 with each share of preferred stock carrying a bonus of one common share. At October 31, 1933, the preferred shares had a liquidating value of $116.96.

Riverside Silk

Could you give us any information as to the prospects and market value today of Riverside Silk common? Is there any prospect of them paying a dividend in the near future?

Class A stock of Riverside Silk Mills Limited sold at 22½ on February 8 and in the current year has sold as high as $22.75 per share and as low as $19. The class B stock was never publicly offered and as far as we are aware, it has no active market. The class A stock is listed on the Toronto Stock Exchange.

The company was very busy during 1933 and had net earnings of $53,637 available for dividends as compared with $33,835 in 1932. Dividends on the class A shares were paid at the rate of $1 per year. The class A stock is entitled to $2 a year in dividends which are now in arrears to the extent of $1.75 per share. No dividends can be paid on class B shares until net tangible assets of the company exceed $900,000 and net current assets $200,000. Net tangible assets have never exceeded $800,000.

The company has a strong financial position with current assets of $310,571 and current liabilities of only $35,496. Considered in current assets is cash of $27,304 and Dominion of Canada bonds at $49,075. The company has no bank loan.

The annual statement of the company is issued without any remarks which would indicate developments of the past year and prospects for the coming year. We understand, however, that the company has been exceedingly busy and prospects are regarded as good although prices are not high enough to permit such earnings as the company had in 1928 or 1929.

Shawinigan

Can you let me have your opinion as to the current position of the Shawinigan Water and Power Co.? I hold some stock in this utility and would like to know the prospects for the company.

Shawinigan's operations and earnings have not been altogether unaffected by business conditions, as is evidenced by the fact that in 1933 output was larger than in 1932, although gross earnings were slightly less. Large blocks of power have been sold on a secondary power basis at rates below the primary rate schedule. As it is, however, the company has been able to report earnings which have been sufficient to take care of depreciation and bond interest requirements and at the same time, pay a dividend on the capital stock. The company's current position is stronger than it was a year ago and the outlook more favorable.

St. Catherine-Stanley

I hold a few bonds in the St. Catherine-Stanley Corp. So many of the real estate bonds have defaulted over the last year or two that I am beginning to be worried about this investment. Can you let me have any information as to the current position of the company?

The St. Catherine-Stanley Corp. paid its last bond interest in full, but the next payment, due on May 1, is doubtful The situation is in a state of flux and the management apparently are in doubt as to the ability of the company to make the next payment. It is possible that the bondholders may be asked to make some concession, such as putting the bonds on an income basis, or it may be that the bond interest will be deferred. We are informed that the building is about 80 per cent rented but revenues do not reflect the occupancy. There is a very narrow market for the bonds, the nominal bid being around 20 to 25.

Canadian Marconi

In going over the list of low-price stocks, I note that of the Canadian Marconi Co. I have been considering making a small investment in some of these issues and thought that Canadian Marconi might be a good one. What do you think of this stock?

Canadian Marconi Co., while engaged in an essential business, has not been able to develop anything like an adequate earning power on its capital stock. No dividends have been paid and there does not appear to be any immediate prospect for a distribution on the capital stock. While the stock is selling at a low price in dollars, one must consider the volume of shares outstanding in the hands of the public.

Beauharnois

Will you be good enough to let me know what are the prospects for Beauharnois common stock? Do you think it will appreciate in value over the next two years? Will the recent political scandal be re-opened and what effect will it have on the stock?

Prospects for the common stocks of Beauharnois Power Corp. are not particularly impressive over the next two years. There will be no earnings availabe for distribution on this class of security until after 1938. Even when operating at its present capacity, it is unproven that the company will ever be able to earn anything like substantial profits for the common stock shareholders. On the other hand, there is always the possibility that the company will be able to secure the right to divert additional water from the St. Lawrence River. In this event the company would be able to produce a large amount of additional power at very low cost. Whether or not the company will be successful in securing additional water rights in later years is too problematical to discuss at this time. As far as the political situation is concerned, there does not appear to be any reason for thinking that the company's contributions to political funds will again come up for discussion.

Laprairie Co.

I would like some information on the Laprairie Co. I have a bond of $1,000 6 per cent B preferred, supposed to pay interest quarterly from May 1, 1933. So far I haven't received interest. Can you tell me what progress the company is making?

Laprairie Co., representing a consolidation of National Brick Co. and the Cooksville Co., has not been able to re-establish its earning power. During the period from August 1 to December 31, 1932, the company showed an operating loss of $26,602. The financial statement for 1933 is not yet available, but judging by the volume of building undertaken in the past twelve months, it is not to be expected that earnings of the company will be on a very favorable basis.

We fail to understand your statement that you hold a bond in this company. The company has no bonds outstanding in the hands of the public. There are issued, on the other hand, Class A and Class B preferred stocks. No dividends have been paid on either class of the preference stock. As far as can be gathered there is no immediate intention of the company to pay dividends, as such a step would not be warranted by earnings.

B. C. Power

It will be appreciated if you will let me have some information as to the dividends of the British Columbia Power Corp. I understand that the company has reduced its dividends lately and am interested in knowing whether or not the management can maintain the distribution on the new basis.

British Columbia Power Co.'s operations and income have naturally been affected by business conditions on the Pacific Coast. Its earnings in the fiscal year 1933 were short of the dividend payment of $2 a share on the Class A stock. The directors reduced the dividend to $1.50. Judging by the interim reports the company may be able to maintain this rate.

Champlain Oil

Will you kindly give us some information with respect to Champlain Oil Products as to the financial set-up; earnings; whether this company is controlled by several of the large oil companies as has been represented to us by stock salesmen, and any other information that will be of interest to us?

Champlain Oil Products capitalization consists of 500,000 shares of no par value preference stock and 150,000 shares of no par value common stock. Public financing was carried out by this company in August, 1933. In the official prospectus it is stated that consolidated net earnings for 1932, after providing for depreciation, bad debts and income tax, were $256,177. This was equivalent to approximately 1 cent a gallon on the petroleum products handled during the year. Net revenues of $300,000 are required to cover the current dividend of 60 cents a share.

The company has a contract with three large Canadian oil companies for the purchase of gasoline and other petroleum products. These companies are reported to be Imperial Oil, McColl-Frontenac and British American Oil.

By virtue of this contract, it has been stated that earnings after full depreciation for 1933 will amount to over $600,000. On the anticipated volume of business this would be equivalent to a net profit of 2.3 cents per gallon handled.

Asbestos Corp.

Common shares of Asbestos Corp. have been recommended to me as a speculative investment. Before taking any action in this matter, I would like to have your opinion as to whether or not this company is making progress.

The record of Asbestos Corp. for some years past has not been at all favorable. Since the reorganization of the company over a year ago, considerable improvement has been made both in management and mine operations. We are given to understand that in recent months the company has undergone a considerable improvement in its operating and financial position. This improvement, while relatively strong, is still a long way from putting the company in a strong position. The common stock is regarded in some quarters as having speculative attraction, but a dividend seems to be some way off in the future.

Amalgamated Electric

It will be appreciated if you will let us have your opinion on the prospects for Amalgamated Electric. This stock seems to be selling at a low level and would appear to offer some attraction as a speculation.

Amalgamated Electric depends largely upon the extent of new building undertaken in the Dominion. As you will readily understand the volume of this type of work undertaken in the last two years has been of limited proportions, while the outlook is far from being clear. Since the public financing of this company, its earning power has not been at all satisfactory and up to such time as the management may be able to demonstrate an established earning power the company's stock should be regarded as far from tested.

Canada Foundries

How do you regard Canada Foundries and Forgings stocks? I have thought of investing a few dollars in this company.

Canada Foundries and Forgings business has been adversely affected over the last two or three years. The company had an operating loss in 1931 and 1932. We have not been able to secure details of the returns for 1933 but judging from the record of the past and the reported demand for products such as are manufactured by this company, we do not anticipate that the financial statement for the past year will show material changes.

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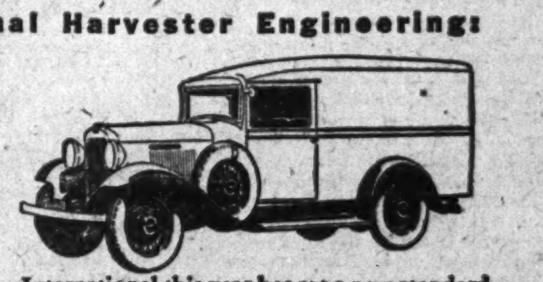

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MANY COMPANIES REDUCE CAPITAL OR JOIN SHARES

Reverse of Boom Era's "Split-Up" Process is Now On

By DR. GAINES T. CARTINHOUR, School of Commerce, Accounts and Finance, New York University

NEW YORK.—The past four years have been characterized by the same trend toward capital reductions by large corporations, although in infinitely greater degree, that marked the depression period of 1921-22. The capital increases which were made so extensively by listed corporations during the bull market ending in September, 1929, were a natural result of the programme of expansion and the seemingly unlimited demand for securities. When the inevitable reaction occurred and it was realized that the high anticipations of industry were due for a setback, it became clear that the rapidly rising capitalizations of business from 1923 to the fall of 1929 had been premature. The sequel was adoption of policies of capitalization reductions and share modifications to accord with the contraction of markets and the cutting of production schedules.

Kinds of Changes

These changes have proceeded along three lines:

(1) The reduction of outstanding capital stocks to proportions consistent with shrinkages in asset values;

(2) The substitution of larger for smaller share units; and

(3) The purchasing by corporations of substantial blocks of their own shares.

Reductions of authorized capital stock for tax or other reasons in amounts that do not affect issued stock are not germane to the present discussion.

Writing down the assets to figures, indicating their values as productive factors under present conditions is the only method of obtaining a foundation for forecasting proper fixed charges and earning rates. The corporation that permits the continuance of asset valuations as they were written up in 1929 is out of line with contemporary standards resulting from lower price levels. If it can be definitely determined that any excess facilities will not be further used in the conduct of the business, such excess facilities should be written off.

Equities Are Unchanged

The procedure of reducing the amount of aggregate par value stock or the stated value of no par value stock, followed by a transfer of the amount of the reduction to surplus, does not injure the interests of the stockholder in any way. His equity remains undisturbed. Assume for example, that the stockholder has paid $10 (the par or stated value) for each share that he holds. As the business of the corporation develops, the book value of the stock will only in exceptional instances coincide with the par or stated value. If the business prospers the book value will probably exceed par or stated value. If the business declines the reverse will be true. The value of the common stock depends upon the ability, present and prospective, of the corporation to produce earnings. If the aggregate par or stated value of the outstanding stockholdings is reduced by one-half, either by halving the par or the number of shares, the interest in prospective earnings or assets of the corporation remains the same.

Frequently, when the number of outstanding shares is being reduced, it is difficult to get a stockholder to turn in, for example, three of his old shares and receive but one in return. Just as confidently as he believed that stock dividend and split-ups meant that he was getting something, he now sometimes believes that in surrendering some of his shares he is losing something. Nevertheless, a stockholder's equity remains unchanged whether the shares be split on a pro rata basis or whether they be reduced on the same principle. In a number of cases, stockholders in large corporations have consented to a reduction in the number of shares held in order to facilitate mergers and consolidations.

Permit Dividend Payments

The procedure of reducing capital stock may be adopted with the object of making possible the payment of dividends, which under state corporation laws cannot be paid out of capital. The reduction in capitalization of Electric Bond and Share Corporation, for example, removed any obstacle in the way of paying dividends currently earned that might have arisen from New York state laws which prevent a corporation from paying dividends unless the value of its assets remaining after the payment of such dividends shall be at least equal to its capital and other liabilities. This provision applies whether or not dividends are currently earned. Other well known companies which have reduced capital include Niagara Hudson Power Co., American Woollen Corp., Studebaker Corp. and Curtiss-Wright Corp.

Get Rid of "Cheap" Shares

The second type of capitalization alteration—that is, share changes to decrease the number of units—may or may not be accompanied by an actual reduction of capital. If for no other reason, decreasing the number of shares outstanding and increasing the size of ownership fractions is advisable in view of the low levels to which a large number of issues declined since 1929. Low stock prices are not due entirely to business conditions and internal difficulties, but partly to capital split-ups and stock subscription rights used during the so-called "new era" period. An authoritative statement was made to the effect that numerous stock issues representing thoroughly solvent companies have sold so low as to create unjustified suspicions of financial difficulties, and that large stock issues have proved unwieldy from a market standpoint, unnecessarily expensive for the corporations involved, and in some cases have contributed to the necessity of dividend omission.

Increasing common share fractions to larger units permits a corporation to make a more respectable showing and report share earnings in terms of dollars rather than cents. Furthermore, the stock becomes available for collateral because of the discrimination against issues selling in the low price category. A higher selling price range permits more flexibility in market movements and enables the stock to reflect more accurately marketwise developments in the corporation's affairs.

A large number of American corporations have gone into the market and purchased their own stocks with surplus funds, thereby raising the market price because of the increased demand (and reduction in the floating supply), and accomplishing other results stated above. Investment trusts have been particularly active in this respect and have benefitted considerably.

WOODS MFG. CO. EARNINGS HIGHER ON 1933 BUSINESS

Balance Sheet Reflects General Strengthening of Position

From Our Own Correspondent

MONTREAL.—Woods Manufacturing Co. has experienced a marked improvement in its earning power, profits showing an increase from $123,698 in 1932 to $170,617 for 1933. All charges were covered by an ample margin and a surplus of $111,410 carried forward into the profit and loss account.

The volume of business handled by the company in the early part of the year was quite spotty, but as time advanced sales showed a gradual and healthy increase over the corresponding period of 1932, with the result that full returns for the year were substantially better than in 1932.

This is apparent from the following comparative income accounts for 1933 and 1932. It will be noted that net results might have been considerably better had not the management increased the reserve for depreciation from $33,314 to $61,633.

	1933 $	1932 $
Profits	170,617	123,698
Interest	39,451	42,214
Depreciation	61,633	33,314
Income tax	10,325	1,414
Year's surplus	59,207	46,755
Prev. balance	247,346	200,591
P. and L. bal.	306,553	247,346

Change in Accounting

The improvement noted in earning power is reflected in the balance sheet of the company as at the end of last year. The value of assets shows a decline from $4,088,467 to $2,786,934. This is explained by the fact that in previous years a depreciation reserve was carried among liabilities. During the past year the company decided to deduct the depreciation reserve from the fixed assets, with the result that the latter are now carried on the books at $1,590,413 compared with $3,027,383 at the end of 1932.

Among liabilities the funded debt has been reduced from $687,000 to $654,000. At the same time the company eliminated bank loans, which at the end of 1932 amounted to $13,000. It is interesting to note that in 1927 these loans totalled $384,000.

Preferred in Arrears

No change has taken place in the outstanding preferred and capital stock. In connection with the former, it is noted that the stock is in arrears of dividends since December 31, 1930.

One of the principal changes among the assets is the cash on hand, amounting to $49,280. This compares with $15,961 in 1932, when the company also had a bank loan of $13,000. Accounts receivable have increased from $230,528 to $306,153, indicating an increase in the volume of business handled by the company.

ROLLAND PAPER SHOWING IN 1933 ON BETTER BASIS

Earnings Cover All Charges While Balance Sheet Strengthened

From Our Own Correspondent

MONTREAL. — Rolland Paper Co.'s earning power showed a moderate advance from 1933, as compared with the preceding year, while the balance sheet registered a general strengthening, with working capital maintained on the same level as in 1932.

Operating profits of the company last year totalled $333,871. This compares with $323,764 in the previous year. Lower interest charges were offset by an increase in the reserve for depreciation. The balance, however, was sufficient to cover the preferred dividend and leave a surplus to be carried forward to the credit of the profit and loss

Carry Forward Surplus

Particulars of the income account for the past two years follow:

	1933 $	1932 $
Net earnings	333,871	323,764
Int. and exch.	138,822	146,781
	195,049	176,983
Depreciation	100,000	84,000
	95,049	92,983
Pref. dividend	90,000	90,000
	5,049	2,988
Prop. Organ. Exp. w/o	*2,791	2,000
Surplus for year	2,258	983
Previous Surplus	313,187	312,204
P. & L. Balance	315,445	313,187

*Balance.

Funded Debt Lower

Several changes of interest are noted in the balance sheet as at December 31, 1933, in comparison with that for the same date of the preceding year. Total assets are shown on the books at $6,064,412 compared with $5,975,626 at the end of 1932.

Funded debt has been reduced from $2,394,500 to $2,323,000 in 1933. It is noted that among the miscellaneous investments held by the company are $88,000 of the company's own bonds.

Investments Are Larger

The total of current assets shows an increase from $1,187,106 in 1932 to $1,233,567 in 1933. The principal changes are in receivables, less reserve, up from $194,137 to $274,520, and the investment account which has increased in value from $282,073 to $321,401. In connection with the latter the company points out that the holdings have a market value of $318,223 and include $242,500 of Dominion Government and Government guaranteed bonds. Offsetting these increases to some extent, is a decline in cash on hand from $173,616 to $109,025.

Among other assets are sundry investments, which have increased from $62,131 to $104,423. The latter item includes $88,000 of the company's own bonds and $26,111 of contracts receivable in respect to properties sold.

Fixed assets registered a minor increase, now being shown on the books at $4,712,828.

Other changes are of no particular consequence.

63rd Annual Meeting of The Ontario Loan & Debenture Company

$505,094 Increase in Assets—Large Increase in Liquid Resources, Now 161% of Deposits

Timely Remarks of President McPherson on Municipal Financing and Taxation

COMPANY'S STRONG POSITION TO MEET FUTURE REQUIREMENTS

Mr. James B. Orr, Managing Director of London Printing and Lithographing Co., Ltd., Elected Director

The 63rd Annual General Meeting of the Shareholders of this Company was held on Wednesday afternoon, 14th instant, at the company's offices, London, Ontario, those present being Messrs. A. McPherson, T. H. Main, Andrew Dale, Prof. James H. Bowman, Walter T. Westby, J. McClary Gunn, Thomas F. Walker, Robert A. Coates, Arthur Reid, J. Edgar Jeffery, James A. Brown, J. P. Dewan, Earl A. McKellar, F. McHardy Smith, Gordon M. Cooper, T. G. Weir, James B. Orr, J. Stanley Lovell, A. J. Nopper, Joseph Jeffery, Samuel E. Weir, O. Roy Moore.

The chair being taken by the president, Mr. A. McPherson, the assistant manager, Mr. J. P. Dewan, who acted as secretary, read the notice calling the meeting, and the minutes of the last annual meeting were, upon motion, confirmed.

The Directors' Report and the Financial Statement, accompanied by the Auditors' Certificate, was then presented.

The President, Mr. Archibald McPherson, in moving the adoption of the Report, said:

"As the report of your Directors states, 1933 was a quiet year for mortgage loaning. We had funds available and were always prepared to consider applications for such loans as we felt would be sound business under existing conditions, but very little such business offered.

"We do not look for any quick general revival of dwelling house construction, which is our chief field for mortgage loaning, because the underlying conditions are not yet favorable. House rents have come down, not so much on account of any undue surplus of housing even after some doubling up of families, but because personal incomes have been so reduced that the old rents could not possibly be met. There has been very little, if any, reduction in municipal taxes, consequently, at the present time taxes are generally out of proportion to the revenue derived from property. This condition calls for the relief reduced taxes would give. Unfortunately, in most of our urban municipalities, taxes cannot be immediately lessened to any great extent because of the fixed charges for civic improvements not paid for when obtained, but a steady effort in the right direction will eventually lead to a reduction in the burden imposed through fixed charges.

"In the years of prosperity or apparent prosperity our urban municipalities spent freely, but not their own money. Not only was it almost all borrowed money, but borrowed, as a rule, for long terms. The annual interest and sinking fund charges being equalized over long terms, the burden of the debt was deceptively easy in good years, when more could and should have been paid, but in bad years, became very onerous and is very lasting. It was this heavy mortgaging of the future, that is in securing and using as soon as desired, but leaving payment to be made later on which, carried out in many other directions, as well as in municipal financing, has been a chief cause of the depression being so severe and lasting in Canada. Either the burden of municipal taxes on real estate must be greatly reduced, or else people's incomes must substantially increase, so that rents can be raised, or to some extent both must take place before there is a sound basis for new dwelling construction in general.

"It is thus most important for the future that the financial management of our municipalities should be greatly improved. How does a careful, thrifty man manage his personal financial affairs? If he wishes, for example, to build a home, he does not begin until he has a substantial part of the cost on hand, so that what he has to borrow will only be a part, perhaps not the larger part, of what he plans to spend. To such a man we lend 50% of the cost of his home and he is able to carry and pay off in a reasonable time a debt of that proportion.

"What does a city do? It requires a new school or other public institution or utility. Does the city prepare for it in a financial way as the prudent man would? On the contrary, it borrows the whole cost and does not begin to provide for any payment on the debt until the school or bridge, or whatever the utility may be, is finished and in use and from which time it is beginning to wear out. Frequently in the past the debt has lasted longer than the object for which it was incurred.

"In future a substantial part of any municipal capital expenditure should be paid for in the year in which the work is done. In prosperous times the increase in that year's tax rate could be comfortably borne. If not, the citizens would not authorize the work. Repayment of that proportion of cost that is borrowed should be spread over shorter terms than has hitherto been the case. Under this plan much interest would be saved and in the less prosperous years refraining from new works would result in immediate substantial reduction of taxes.

"The financial management of many of our rural municipalities has been along just such sound lines. These well-managed rural municipalities entered the bad times with little or no debenture debt and thus, with all their budget expenditure controllable, were easily able to further lighten the burden on their ratepayers as the times required.

"If our local self governments in urban communities are not going to be wise enough to act in this way, then the people must ask for and submit to regulation of municipal finances by some form of provincial authority that will exercise the necessary control so that the over-borrowing craze will not again run away with us.

"I mention these facts as the past five years have clearly demonstrated that mortgage interest and municipal taxes have a direct bearing one upon the other in the minds of property owners or prospective property owners. There has been practically no increase in mortgage interest rates during the past twenty years. Municipal taxes, on the other hand, have increased at a tremendous rate. Increase in municipal debt must be halted in order that now existing taxes can be decreased.

"In addition to the need of a change to better methods of capital expenditure, municipal levies for current expenses require careful attention. The serious increase in uncollected taxes presents a situation which should be squarely faced by the governing bodies of all of our municipalities and should have the consideration which the situation demands. The abilities of the taxpayers to pay must be the barometer of our municipal, including school, expenditures, if municipal credit is to be maintained.

"Most of our municipalities are now preparing their budgets for the year 1934, and care should be taken to keep expenditures well within the possible cash income. It must be borne in mind that another period of prosperity must be well advanced before taxpayers regain their previous taxpaying capacity. Figures of tax collection in 1933 in almost every case show that the percentage of current levy collected in that year fell below the percentage of 1932, a clear indication that the taxpayers not only cannot stand any higher levy, but that they have reached their capacity to pay and that a strenuous effort should be made to lower the tax burden.

"The chief concern of your Directors during the past year was the care of the Company's existing investments in mortgages and in the securities of our Canadian Governments and municipalities. The greater part of new investments made during the year were in Dominion of Canada and provincial bonds.

"Every possible consideration was shown mortgage borrowers who found difficulty in meeting their obligations to us. As was to be expected, additional properties had to be taken over, largely with the concurrence of borrowers who found it impossible to carry them. With but little demand for real estate, sales were few and the total of properties on hand has increased, but the amount at which these are carried is below their estimated market value and is less than 3 per cent. of the amount of our current mortgages.

"As stated in the Report, the great proportion of our current mortgages is over city properties on which the interest payments were on the whole well met, the amount of interest in arrears on these at the end of the year being slightly less than 1 per cent. of the principal sum.

"All indications point to a much brighter outlook at the present time than was promised at the beginning of 1933. A steady increase in employment is noted, railroad car loadings have materially increased and the automobile industry, one of the first to feel the depression and which should accordingly be one of the first to feel the pulse of recovery, reports a gratifying increase in sales throughout the country. A promise of improving conditions is further evidenced by the increased prevailing prices for farm and other commodities as compared to the prices which prevailed at the beginning of the year 1933. The annual reports of our larger Canadian Financial Institutions have been appearing during the past few weeks, and it is encouraging to note the tone of confidence in the immediate future which they carry. Almost without exception they voice an improvement in conditions during the past few months not only in the financial but also in the industrial world.

"Progress in attaining the momentum of recovery which we would all wish to see may be slow and the improvement which must follow may not be reflected in the loaning field for some months to come. Any improvement in business conditions, however, must bring with it a corresponding recovery in regard to mortgage loans and also a renewal of activity in home building and it is encouraging to note the upward trend which we hope may continue.

"I feel that in view of the conditions that have prevailed, the shareholders will consider our Report for 1933 as very satisfactory, and I have much pleasure in moving its adoption."

The Vice-President, Mr. T. H. Main, in seconding the adoption of the Report, spoke as follows:

"The gratifying increase during the year in our deposits and debentures of practically half a million dollars is evidence of public confidence in the strong position of the Company. This confidence is merited by the Company's conservative policy over a long term of years in building up a reserve fund not only large in proportion to shareholders' capital, but exceptionally large in proportion to the Company's liabilities to the public. With this position and the Company's careful investment policy and its low expense ratio, your Directors have been able to add each year to the provision against possible losses which the vicissitudes of these times may bring upon us.

"Of late years the heavy burden on real estate of the steadily increasing municipal taxes, as referred to by the President, has necessitated your Company paying almost as much attention to seeing that the taxes upon property mortgaged to it are kept paid as to collect the mortgage payments themselves. We urge and encourage our borrowers to keep their taxes paid up, often assisting them in that respect, and our organization looks so carefully after this feature that when we state that the great bulk of our current mortgages is in good standing as to payment of interest, this comprises as well good standing as to payment of taxes on the properties covered.

"With regard to those properties we have had to take over and which are awaiting sale, each property is cared for as soon as acquired, taxes are looked after, any repairs or improvements necessary or advisable are made and as much revenue as possible is obtained, and all are receiving the constant attention of our experienced staff.

"The Company's liquid position, a very important feature in times such as these, was never stronger. Holdings of bonds of or guaranteed by the Dominion and Provincial Governments alone largely exceed the total of deposits, without taking into account at all the substantial holdings of Canadian municipal debentures. Thus the Company's depositors and debenture-holders have every possible assurance not only of the safety but of the availability of the funds they have invested with us.

"Private lenders, without the experience and organization to properly inspect and value and re-inspect from time to time the mortgage securities upon which they loan and to follow up payment of taxes by the borrowers as well as the mortgage payments, are finding in increasing numbers that it is very much in their interest to do their mortgage lending, at secondhand as it were, by investing in the Company's debentures, from which their income is regular and assured and in which their capital is most secure.

"I beg to second the adoption of the Report."

The report was adopted unanimously.

The Ontario Loan and Debenture Company

DIRECTORS' REPORT AND FINANCIAL STATEMENT

31st DECEMBER, 1933

London, Canada, 23rd January, 1934.

TO THE SHAREHOLDERS:

Your Directors beg to submit their report for the year 1933, accompanied by the Balance Sheet and the Auditors' Certificate.

The year was a quiet one as far as mortgage loaning was concerned, there having been very little demand for mortgage loans of good class. The total mortgages, therefore, show a slight decrease compared with last year, payments of principal exceeding new loans.

Total Assets increased by $505,094. Deposits and Debentures continued to increase, and are very close to a half a million dollars more than last year. Pending demand arising for well secured mortgage loans, these additional funds have been invested in Dominion and Provincial Government Bonds. The Company's large holdings of these bonds place it in a very strong liquid position.

After payment of Provincial and Municipal Taxes, Interest, Expenses and Charges, and after making what is considered ample provision for possible losses and contingencies, the

Net earnings for the year 1933 are		$287,011.06
Balance brought forward from previous year		76,619.87
From this Total available		$363,630.93
Dividends (Quarterly) at the rate of 12% per annum have been paid		240,000.00
		$123,630.93
Dominion Government Income War Tax:		
Balance 1932 tax paid	$ 4,417.50	
Provision for 1933 Tax payable April, 1934	35,000.00	
		39,417.50
Balance carried forward		$ 84,213.43

As 1933 was unfortunately another year of poor crops and of low prices for agricultural products, farmers in Canada had a difficult time, and farm mortgage interest was not well paid. Payments of interest on mortgages of city property, which form 85% of our mortgage investments, were but little behind those of the previous year, and thus the Company's cash income was well maintained.

The Company's position continues favorable and strong, your Directors having been able again this year to add substantially to provisions previously made for the possible losses which delayed economic recovery may cause. There is now, however, much evidence that recovery is well under way in Canada, and is likely to continue.

Your Directors have pleasure in acknowledging the valuable service rendered by the Company's agents in Scotland, Messrs. Wm. Home Cook & Coy., C.A., and Messrs. Forbes Dallas & Co., W. S., both of Edinburgh, in connection with its sterling debenture business.

All of which is respectfully submitted.

ARCHIBALD McPHERSON, President.

ASSETS

Office Premises (freehold)	$ 120,000.00
Mortgages—	
Loans on Mortgage—Principal, $10,644,058.65; Interest, $316,257.61	10,960,316.26
Agreements for Sale of properties acquired as result of default under the Company's mortgages thereon, taken into account at less than amount owing—, Principal, $62,599.45; Interest, $118.28	62,717.73
Real Estate acquired as result of default under the Company's Mortgages thereon and awaiting sale, taken into account at less than estimated market value	282,653.57
Securities, including accrued interest—	
Bonds of United Kingdom, Dominion of Canada and Provinces of Canada	1,671,431.79
Bonds Guaranteed by Dominion of Canada and Provinces of Canada	325,178.55
Bonds of Canadian Municipalities and School District and Rural Telephone Debentures	482,507.73
Loans on Stocks and Bonds—Principal, $37,643.28; Interest, $636.64	38,279.92
Deposits with and Securities of other Loan Companies of Canada	20,969.70
Cash in Chartered Banks in Great Britain	2,036.47
Cash in Chartered Banks of Canada and on Hand	200,951.24
	$14,167,042.96

LIABILITIES

To the Public:		
Debentures, Sterling, including accrued interest	$ 573,122.80	
Debentures, Currency, including accrued interest	6,544,633.51	
		7,117,756.31
Deposits		1,658,379.44
Other Liabilities, including provision for Dominion Income Tax payable April, 1934		46,693.78
		$ 8,822,829.53
To the Shareholders:		
Capital (40,000 shares of $50.00 each, fully paid)	$2,000,000.00	
Reserve Fund	3,200,000.00	
Quarterly Dividend payable 2nd January, 1934	60,000.00	
Profit and Loss Account, Balance carried forward	84,213.43	
		5,344,213.43
		$14,167,042.96

ARCHIBALD McPHERSON, President.
THOMAS H. MAIN, Manager.

To the Shareholders of the Ontario Loan and Debenture Company

We hereby certify that we have audited the books and accounts of The Ontario Loan and Debenture Company continuously throughout the year ended 31st December, 1933, and find the above statements in accordance therewith. We have verified the Cash and Bank Balances, and have examined the Company's securities and find them in order. All our requirements as Auditors have been complied with, and, in our independent opinion and according to the information and explanations given us, the above statements are properly drawn up and set forth fairly and truly the state of the Company's affairs.

All transactions that have come within our notice have, we believe, been within the powers of the Company.

A. G. CALDER, F.C.A.
GEO. S. JEWELL, C.A.
Auditors.

London, Ontario, 20th January, 1934.

Scrutineers were then appointed, and the election of directors proceeded with. Messrs. A. McPherson, T. H. Main, J. McClary Gunn, O. Roy Moore. Edward E. Reid and James B. Orr were re-elected for the ensuing year.

Upon motion by James A. Brown, seconded by J. Edgar Jeffery, Messrs. A. G. Calder, F.C.A., and George S. Jewell, C.A., were appointed the auditors of the Company for the ensuing year.

It was moved by Mr. Thomas F. Walker and seconded by Mr. Andrew Dale, that the thanks of the shareholders be tendered to the President and Directors, and the Manager, Assistant Manager and the staff, for their unremitting care of the Company's interests and the very satisfactory results achieved for 1933.

At a meeting of the Board of directors, held subsequently, Mr. A. McPherson was re-elected President, and Mr. T. H. Main Vice-President of the Company.

BRANDRAM PAINT DEBT ADJUSTMENT MEETS APPROVAL

Consolidated Bondholders Forego Rights Protect Equity

From Our Own Correspondent

MONTREAL. — Bondholders of Brandram-Henderson Ltd., paint manufacturers, have approved the plan of arrangements for the "6 per cent, 20-year, sinking fund consolidated mortgage bonds."

In October last the management addressed a letter to consolidated mortgage bondholders stating that the company was in arrears to the extent of about $30,000 on the sinking fund on the first mortgage bonds. It was also in arrears to the extent of $64,000 for sinking fund, and approximately $50,000 in arrears of interest on its consolidated mortgage bonds.

Meet Prior Obligations

It was pointed out that the first mortgage bonds, amounting to $155,000, constitute a charge ranking ahead of the consolidated mortgage bonds and that it was all-important in the interests of the consolidated mortgage bondholders themselves that these prior obligations be met. Under existing conditions, it was pointed out, it would tax the company's earning capacity to the utmost to provide sinking funds, interest and principal on these first mortgage bonds, which mature October 1, 1936.

In order to take care of these obligations, the management proposed that interest and sinking fund commitments on the consolidated mortgage bonds be waived for the time being in order that working capital position could be strengthened.

To that end a plan was put forward covering, among other things, the placing of the consolidated mortgage bonds on an income basis until after March 15, 1936. The interest on the consolidated mortgage bonds would be cumulative and payable in six equal annual installments beginning September 15, 1936.

Two meetings of the consolidated mortgage bondholders were held, one on November 16 and one on November 17, but no action was taken owing to a lack of quorum. On February 15 last, a third meeting was held and with the necessary quorum present, approval was given to the proposal as put forward by the company.

Cuba Buying Potatoes

January shipments of potatoes for Cuba from the Port of Saint John show a large increase over those of January, 1932, the value of exports this January having been $81,741 as compared with $25,676 in January, 1932. Prince Edward Island as well as New Brunswick participated in these orders.

Auto Dealers Want Code To Fix Trade-In Values

What is the value of a 1931 Canadian special 6?

Agent No. 1 will allow $475 on a turn-in on a new Dominion 8, priced at $1,100; Agent No. 2 will allow $425 on a turn-in on a 1934 Quebec 6, priced at $1,150; and Agent No. 3 will only allow $295 on an Alberta 6, priced at $1,050.

The names of the automobiles are obviously fictitious but the basis of the story is correct. There was a range of $180 in the estimated turn-in value of the same car on the purchase of a new car. Obviously the owner is going to accept the $475 offer unless he has had a very strong preference for one of the other two cars. The used car allowance, therefore, sells the new car and not the merit of the car itself.

Almost all automobile salesmen in Canada deplore this condition, which allows distributors to split commissions with their customers by allowing larger turn-in values on their present car. They point to the N.R.A. code in the United States which sets down a definite basis for calculating the value of a used car and the amount which can be allowed on a sale of a new car.

Under the N.R.A. code, the United States has been divided into twenty zones, each of which will have an "Association Official Guide Book." In this book will be published the used car values of all makes of automobiles for the area. Conduct of the retailers is set down in the code, as follows:

(1) That the value of a used motor vehicle shall be the average price that the public in any given market area is then paying for such vehicle as ascertained by the association. The association shall publish the average prices thus ascertained approximately every 60 days. In order to insure fair average value, published average shall be computed for the preceding period and there shall not be included in computing such average that 20 per cent of sales which represented the lowest sales of all actual sales reported in the previous period.

(2) That no dealer shall accept in trade any useful vehicle at an allowance price of more than its value as ascertained above, less a minimum selling, handling, and reconditioning charge, according to the following schedule:

(a) Five per cent of the allowance price on the current series model, or the preceding series model.

(b) Ten per cent of the allowance price on the model preceding the two models described above.

(c) Fifteen per cent of all the allowance price on all models other than the three models described above.

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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Providence Guided Arthur Wood From Chosen Career of Medicine

New President of Sun Life of Canada is Eastern Townships Product with U. E. L. Background—He Brings Fine Qualities to World-Wide Institution

By KENNETH R. WILSON

The other day Arthur B. Wood walked into his office and in that quiet, gentlemanly way of his, asked his secretary if the president had arrived yet.

"Oh...." said she, somewhat abashed, "He....well he's just arrived. He came in when you did."

Mr. Wood's eyes twinkled and of a sudden he remembered that after forty-one years of service to the institution to which he has devoted his life he himself was now the president.

Just a flash in a busy day at Dominion Square, Montreal, but it speaks much for the modest, unassuming gentleman who last week was chosen chief executive of the most far-flung international life insurance institution in the world—Sun Life of Canada.

ARTHUR BARTON WOOD

Steady Upward March

And little wonder he scarcely realizes the tremendous responsibilities that are his, as he steps into the shoes which two Macaulays have worn with honor and distinction in the past sixty years. For Arthur Barton Wood has never sought honor or advancement. He did not even seek the actuarial post which started his feet on the life insurance pathway. His life has been a quiet, steady upward march with hard work plus a brilliant intellect bringing their own reward. He's the sort of man who knows where he is going but is in no hurry to get there. It's natural, therefore, that he should have to stop and think twice to realize that his goal has been reached—at least as far as Sun Life is concerned.

But to start a little nearer at the beginning.

The background is a village home in Mississquoi County, Quebec. Finest stock in the world, these people. Hardy souls who had battled their way out from the Old Land to Massachusetts 'way back in seventeen hundred and something. Came the Revolution and with thousands of like-minded Loyalists they trekked northward and set their hands to ploughing furrows in rich eastern townships soil.

For years Arthur B.'s grandfather (Hon. Thomas Wood of Dunham, P.Q.) sat in the Quebec Legislature and cared for the political needs of his friends and neighbors in Mississquoi County. Grandson Arthur still likes to tell of the huge leather trunks full of parliamentary stationery which arrived each year from a benevolent government at Quebec—enough in each one to care for the correspondence needs of the entire family for a decade.

Father a Family Doctor

A son (Hannibal Whitney) was dispatched to study medicine at McGill and in the course of time set up practice in Knowlton a village of Brome County, adjacent to Mississquoi. He struggled long and hard to meet the exacting requirements of the country doctor of his day and was so successful that his boy Arthur in due course decided that he too would follow his father's honored calling. The father demurred for he was not overly anxious that his son should have to repeat the same hard struggle he had had, to establish himself.

Yet there was never any question about a university education and in 1888, seventeen-year old A. B. Wood registered at his father's Alma Mater, undecided whether a course in Classics or in Mathematics would best fit him for a professional career in medicine. He chose the latter but in his second year his love of the classics got the better of him and he decided to switch. Providence in the form of kindly Dean Alexander Johnston intervened and pleaded with the young man not to abandon his mathematical studies for which he had such a fine aptitude. This wise counsel prevailed and studies were again resumed to end two years later in the capture of the Ann Molson Gold Medal in Mathematics.

Had Chance of Fellowship

Again Dr. Johnston urged his brilliant young pupil to continue his studies and assured him that if he would but say the word, a two-year fellowship of the British Association in Mathematics and Physics and embracing post-graduate work in Cambridge and Germany, would be his for the asking. But the Gold Medallist was not convinced and in the meantime he accepted the principalship of St. John's High School as part of a two-year plan to earn money to enable him to continue his studies in medicine. The correspondence about the Fellowship continued but Pedagogue Wood finally abandoned the idea when he learned that if he accepted, he would be morally bound to return as a lecturer to McGill under his tutor Dr. Johnston. Much as he loved his able friend and counsellor he had no desire to follow his footsteps at McGill so he threw himself once more into his temporary vocation.

But Providence (and Mr. Wood believes this implicitly) had still another trick to play. This time it was Dr. H. M. Tory (then a professor of mathematics at McGill and now head of the National Research Council, Ottawa) who was asked by T. B. Macaulay of the Sun Life, to find for the company the most promising young mathematician he could lay his hands on. He wrote to Arthur Wood and to make a long story short, six days after completing his first term at St. John's High School, the young mathematician found himself sitting at a desk under the title "Chief Clerk, Actuarial Department, Sun Life Assurance Co. of Canada." Even then Arthur Wood insisted that his divorce from a professional career was only temporary (he had never even heard the word "actuary" before) but Mr. Macaulay would have none of it. So there he stayed.

A Very Practical Actuary

What happened from that day to this is a matter of record. Slowly step by step Arthur Wood made himself so indispensable to this rapidly-growing organization, that the growth of his responsibilities was only equalled by the amazing expansion of what was rapidly becoming a world-wide institution.

For Arthur Wood has from the first been much more than an actuary in the strict sense of the term. Mathematics to him have always been a means to an end rather than an end in themselves. He admits frankly that the mathematical side of actuarial science never appealed to him, although in his lifetime he has achieved almost every honor and distinction in the gift of the profession. What he revels in (to use his own terminology) is the "practical application of actuarial principles."

Thus almost from the moment he entered the employment of the Sun Life he has busied himself solving the company's manifold problems by this yardstick. From this point of view he has tackled every conceivable aspect of the company's business and has usually found his own solution after due deliberation along this well-worn path. His special hobbies in which he has achieved notable success, have been the company's agency force and the development of an active life insurance business for the company in Great Britain. In actuarial matters he has given particular study to problems of sub-standard risks and mortality in foreign countries.

Headed Agency Force

Few outside his associates know, for instance, that for five years after the retirement as executive head of the company's agency force of Hon. J. C. Tory (a brother of Dr. H. M. Tory, who gave up active service in the Sun Life to be Lt.-Governor of Nova Scotia) Mr. Wood assumed complete control of the agency organization and ran the entire field force of this far-flung institution. By temperament and personality there is little to suggest the superintendent of agencies of a modern life company in Arthur Wood, but he made a success of it because he had spent the previous ten years applying his early training to the human problems of this business which is, after all, merely a marriage between mathematical permutations and everyday existence. In like manner he assumed responsibility for the company's mortgage business; for its recently-constituted British agency department and more recently its investment policy.

In a word he believes the good actuary is to the life insurance business what the good engineer is to a piece of machinery. Not only indispensable to its well-being, but competent to operate both the machine itself and also its individual parts. It is to this he attributes the success achieved by actuaries in the executive control of great insurance institutions in Great Britain and also in Canada. He expects this success will become increasingly marked both here and in the United States, because he considers life insurance leadership a logical outcome of actuarial training.

Likes Teamwork in Sport

Another characteristic is seen in his choice of recreation. Knowing he excelled at both golf and curling, I asked him recently which he liked best. He replied: "Both"—but qualified his answer by admitting that his love of golf was somewhat tempered by his belief that it is too selfish a game to be a good game—particularly when played as a twosome.

"To me a game is good or bad as it gives opportunity for teamwork" he said. "That's why I like curling. You play for your side—not for yourself." No wonder he was a great cricketer in his day.

Thus in business he always puts his company and his associates above his own personal considerations. Only a few years ago at a company convention in Algonquin Park, accommodation was at a premium so Arthur Wood of his own accord, suggested to his friend John A. Tory (third brother of a famous triumvirate and manager of the Western Ontario division—largest individual agency in the Sun Life) that the two of them sleep in a tent to make room for the agency men in the hotel. John A. nearly froze to death but he values the experience all the same and tells the story as typical of Mr. Wood's unselfishness. He has the same unselfish attitude toward policyholders and will invariably give them the benefit of the doubt in any matter which comes to his attention.

Is Lifelong Mason

Outside his business he has few interests beyond golf, curling and masonry. I asked him how he came to be interested in masonry. He said: "Heredity, I think. No boy who grew up in the Eastern Townships in the early days ever thought of not being a mason. My father and grandfather before me were masons and all my life I looked forward to the day when I should belong."

By 1919 he had reached the peak of achievement in that sphere, serving at that time a two-year term as grand master of Grand Lodge of Quebec. He has attained his 33rd degree and has also served on Supreme Council of the national body—A. and A.S.R. He is still chairman of the finance committee of the Grand Lodge, Quebec, but he has found little time for active participation in recent years due to the increasing demands that Sun Life has made on his time and energy.

Sun Life Full Time Job

He has never let anything come between him and Sun Life. For forty years it has been the primary outlet for all his energy and genius. Thus although he relies on "specialists" in every branch of the company's affairs, to guide the destinies of some 9,000 employees and over a million policyholders, his associates boast that there is scarcely a job in the entire organization which he could not fill if necessary—so closely has he mastered every detail of the company's business.

Mr. Wood finds little time for reading but enjoys historical novels most of all when he gets a few moments to spare. In a quiet way he is an Anglican—but he takes no active place in the councils of the church. By the same token few ever hear of the many kind acts he performs continually. His right hand never knows what the left is doing. He is scrupulously honest, which means absolute sincerity in word and action.

Will Visit All Agencies

Beyond his business he has travelled but little although as soon as it can be arranged he tells me he plans to make a visit to every one of the company's agencies scattered in 40 countries of the globe. In the past fifteen years he has devoted his attention almost entirely to the North American continent and the company's British office—quite enough to keep most men busy. He believes that the company's greatest avenues for expansion are on this continent and throughout the British Empire,—particularly Great Britain—and it is here he expects the company will show its greatest growth in the next few decades. He feels stable legislation will be a great factor in aiding development along these lines.

Incidentally he attributes the great expansion of Canadian life insurance institutions, both in Canada and abroad, to the fact that they have been left free to develop under wise supervision but with not too much interference by government. "Freedom for management and private initiative" is the way he expresses it. This has been the key factor in their success he believes.

Future Policy For Sun

As to the future of Sun Life, there is no doubt as to what course President Arthur Wood will pursue. The guiding principles of actuarial science will be his star and compass. Apply this to investments—of which Sun Life has something over $600,000,000—and the actuarial principle of diversity of risks will be the controlling factor. He will aim to achieve a thoroughly diversified portfolio of good securities—just as he will aim to select the best policyholders from all classes and creeds. Incidentally Mr. Wood points with pride to the excellent diversity of the company's common stock holdings—a factor which he says has proven of paramount importance in the past four years.

Thus to great responsibilities, Arthur B. Wood brings great qualities. In him the age-old wisdom of the mathematician has been tempered by an equally old-fashioned quality of simple humanity. Quiet, friendly, modest, unassuming—these are all adjectives which befit him.

He would shrink from hurting your feelings but he will gain his point all the same. His keen eyes will twinkle but they will be guided by a purpose that will not deviate a hair's breadth from the course they see ahead.

"Honesty."

"Teamwork."

"The practical application of actuarial principles."

These are the watchwords this new engineer of the Sun Life machine will bring to his task. There is little doubt his tutors will feel rewarded for having counselled mathematics in preference to medicine or the classics.

Stalemate Foreseen In Price Co. Affairs

U. S. Securities Act Holds Up Foreclosure — How Profits Are Shared Under Two Plans

From Our Own Correspondent

MONTREAL.—Affairs of Price Bros. and Co. in Bankruptcy have reached a momentary lull with the two opposing groups marking time until the meeting of shareholders and creditors to be held in Quebec City on March 9.

Both groups have set forth their position. Bowater's perhaps hold the stronger position owing to the fact that their proposal has been accepted by the Bondholders' Protective Committee.

Duke Price Power Co., Lord Rothermere and Lord Beaverbrook, as the opposing group, hold a stronger position with the junior interests. The power company's claim is by far the largest among the unsecured creditors, while the group probably have enough stock owned outright or under proxy to give them a majority control of the common shareholders' vote.

Junior Groups' Position

The preferred shareholders hold no particular position. All they can do is to sit back and hope for even better treatment than has already been proposed by the two groups. If it comes to a show down it is likely that the preferred group will side with Bowaters—a step which has already been approved of by the Protective Committee.

The common shareholders also have formed a protective committee. This organization came into being only two weeks ago, instead of two years ago, and its influence on the present negotiations is not likely to be pronounced.

Have Reached Impasse

It would now appear that matters have reached a stalemate. Neither the Duke Price interests or the Bowater group are likely to back down from their present stand. The former would seem to be in control of the common shareholders' and unsecured creditors' decision, while the latter has the backing of the bondholders and, maybe, the preferred shareholders.

If each group determines to hold its position, the next step will be for the bondholders' committee to foreclose on the property and put it up for auction. This may be obligatory if the Bowater group insist on the fulfilment of the terms of the agreement.

No Foreclosure Yet

But the bondholders' committee is not going to foreclose on assets of Price Bros. and Co. secured by the trust deed, until certain amendments have been made to the Securities Act of the United States.

An internal reorganization would permit either group to take over control without coming under the influence of the Securities Act. But if foreclosure is applied, it will mean the issuing of new securities. This would bring the successful syndicate into the sphere of influence of the Securities Act in the States and would mean that the Bondholders' committee would have to guarantee the new bonds.

This responsibility, it is understood, will not be accepted by the Committee members. On the other hand there is an early likelihood of the Securities Act being amended along lines which would release the parties involved from guarantees in certain forms of financing, such as re-organizations, etc.

It was expected that these amendments would have been put through several weeks ago, but for one reason and another no action has been taken.

Meanwhile if all the interested parties in Price Bros. and Co. do not come to some mutually satisfactory arrangements, foreclosure proceedings are most unlikely until the Securities Act is changed.

As the two plans now stand the Duke Price proposal offers more to the common shareholder in stock and to the preferred shareholder a security with a par value of $100 instead of $50 as under the Bowater plan. In other respects, the two proposals are very similar.

Available Earnings Differ

When consideration of the two offers boils down to what earnings will be available on the securities to be offered to the unsecured creditors and the shareholders, comparisons are not quite so favorable.

Net earnings of Price Bros. and Co. from operations during the last 12 years—1922 to 1933—have exceeded $3,500,000 only in three years, namely, 1926, 1927 and 1928.

Bowater Plan Better

It is estimated that under the Bowater plan net earnings of $2,553,000 would result in a balance available to pay dividend requirements on the preferred stock, which is $188,529, while under the company proposal (sponsored by Duke Price Power Co., Lord Rothermere and Lord Beaverbrook) net earnings of $4,425,000 would be required to pay a dividend of $188,529 on the preferred stock and $4,750,000 would be required to pay its entire preferred dividend requirements of $314,215. In both instances this computation is before giving effect to savings in interest resulting from sinking fund operations.

To be Larger Percentage

Further under both plans the interest charges will be reduced annually by the operation of the sinking fund. Under the Bowater plan approximately 55 per cent of the amount of reduction in interest charges would become available for dividends on the preferred stock, while under the Company Proposal approximately 40 per cent of the amount of reduction in interest charges would become available for dividends on the preferred stock.

How Plans Compare

Just how much of the company's earnings would be available for dividends under the two plans, on the basis of assumed earnings of $2,500,000 and $3,500,000, is shown in the accompanying table.

COMPARISON OF AMOUNT OF NET EARNINGS AVAILABLE FOR PAYMENT OF DIVIDENDS TO PREFERRED AND COMMON SHAREHOLDERS, UNDER THE COMPANY'S PROPOSAL FOR A SCHEME OF ARRANGEMENT AND UNDER THE BOWATER PLAN, BASED ON ASSUMED NET EARNINGS OF $2,500,000 AND $3,500,000.

	Bowater Plan	Company's Proposal*	Bowater Plan	Company's Proposal*
Assumed net earnings	$2,500,000	$2,500,000	$3,500,000	$3,500,000
Interest on 1st mtge. bonds	663,696	663,696	663,696	663,696
Sinking fund payable in respect of 1st mortgage bonds	......	459,076	......	709,076
	663,696	1,122,772	663,696	1,372,772
Balance	1,836,304	1,377,228	2,836,304	2,127,228
Interest on mortgage debentures	325,000	350,000	325,000	350,000
S. F. payable in respect of mtge. debs.	......	205,445	......	355,445
	325,000	555,445	325,000	705,445
Balance	1,511,304	821,783	2,511,304	1,421,783
Interest on certificates of $1,500,000	75,000	75,000	75,000	75,000
Paymt. on acct. of principal of certif.	......	16,130	......	116,130
Balance	1,436,304	730,653	2,436,304	1,230,653
Reserves:				
Depreciation and depletion	1,250,000	1,250,000	1,250,000	1,250,000
General or unallocated	16,022	......	102,022	......
Income tax	26,082	22,582	166,082	162,582
	1,292,104	1,272,582	1,518,104	1,412,582
Balance, being amount available or otherwise to pay dividends	$144,200	†$541,929	$918,200	†$181,929

Note: Under the Bowater plan provision will be made in the new trust deed for a sinking fund applicable to the new bonds, but the amount of the sinking fund payable in any year will not be a charge against earnings for the purpose of determining the extent that the company has earned net profits in any year out of which the preferred and common shareholders shall be entitled to be paid dividends.

The amount of the sinking fund payable in respect of the first mortgage bonds, as provided for in the company's proposal, has been calculated at the rate of 25 per cent of the net earnings, which rate applies during the year 1936 and subsequently.

*Company proposal—sponsored by Duke-Price Power Co., Lord Rothermere and Lord Beaverbrook. †Minus.

War on Waste

Alberta's government telephones lost $277,006 in the year ended March 31, 1933, making a total deficit of $931,959. But J. C. Thompson, provincial auditor, pointed out in his report that $517,790 lost by removal of dead lines was capitalized instead of being written off as formerly, that a heavy capital loss is faced by reason of failure to earn sufficient depreciation; that the total sinking fund is inadequate; that inventories include material for which no allowance for depreciation or obsolescence had been provided; that the reserve for bad debts of $114,546 will probably fall short of requirements; that the pension fund is not on an actuarial basis and will probably prove insufficient; and that no provision was made for premium on New York funds for debentures due April 1, 1933.

It is impossible to estimate accurately what these deficiencies total in cost to the province. It may be conservatively estimated at about $2,000,000, and is probably much more. Yet one supposedly responsible Albertan recently remarked: "We want to make certain this public utility does not get into private hands." If it had been in private hands, an enormous and costly waste might have been saved for the province.

Higher Earnings For Dominion Fire

Higher gross and net earnings, premiums about the same as in 1932 and a lower ratio are reported in the 1933 statement of the Dominion Fire Insurance Co.

After all expenses the company showed net earnings of $59,592 as compared with $46,281 in the previous year. After payment of a 6 per cent dividend and a bonus of 1 per cent on capital stock and writing off $125 for loss on sale of bonds, the sum of $38,473 was transferred to reserve for contingencies, it being considered inadvisable to increase surplus which now stands at $300,000, the amount of the capital stock of the company.

Loss ratio in the fire department amounted to only 42 per cent as compared with 49 per cent in 1932. Premiums earned in the fire and plate glass departments were slightly higher than in 1932 but automobile was lower.

Ottawa Conference Tariff Changes Bring Increased Imports from U. K.

Many British Firms Take Advantage of Easier Entry—Coal, Tinplate, Aniline Dyes Make Largest Gains—Canada's Affected Exports Jump 36 Per Cent

Canada's Export Trade in items affected by Imperial Conference agreements was 36 per cent greater in 1933 than in 1931. By eliminating wheat from this calculation—both because a large amount of the wheat leaving Canada for the United Kingdom is routed to other points and because the preference on Canadian wheat is generally accepted as having had only a minor influence in increasing exports—exports of the remaining items are shown to have increased 63 per cent in value in 1933 as compared with 1931. Chief commodities to gain were: bacon and hams, apples, lumber, copper, lead and zinc.

United Kingdom's Export Trade to Canada increased 43 per cent in 21 of the 22 leading items affected by changes in the Canadian tariff resulting from the Ottawa Conference. The situation as far as gin and liquor (the other leading item) had changed so materially between 1931 and 1933 that the lower tariff was ineffective. Anthracite coal, tinplate, aniline dyes and wool yarns made the chief gains.

Canada's Total Trade, in the meantime, was declining, imports falling 36 per cent and exports 12 per cent.

Canada's increased exports to the United Kingdom, as a direct result of agreements made at the Ottawa Imperial Conference, have been obvious for many months, the increases in bacon and apples being two outstanding examples. Just how other items which obtained preference in the British market have fared and what has happened to Britain's exports to Canada is not so apparent, however.

When the Ottawa Conference agreement was signed, The Financial Post made an exhaustive analysis of the trade in items affected by the new rulings. From figures of trade during 1933, specially prepared by the Dominion Bureau of Statistics, The Post now surveys results after the first full year of operation of the agreements. Comparison throughout is made with 1931 as it is considered a fairer basis than 1932 during part of which the agreements were in force.

Most Items Gain

Nineteen export items received preferences in the British market as a result of the Canada-U. K. agreement. Of these, exports of only 17 are available for 1933; they reveal that 13 items gained in both quantity and value and four declined, when compared with 1931. Cheese, butter, canned salmon and zinc were the items to decline while copper, apples, condensed milk, timber and tobacco made the largest percentage gains. In the table appearing elsewhere on this page the statistics of exports affected are shown for the past three years. Figures for volume provide a better basis of comparison as value totals are complicated by price charges and exchange fluctuations. Trade figures for pears and canned apples are not segregated in the preliminary returns but the total trade is not large.

While the preferences obtained in the British market undoubtedly formed the major factor in increasing the total trade in the items affected by the agreement and in total trade, there are a number of other changes which took place during 1932 and 1933 which tended to turn trade toward the United Kingdom. Chief among these changes—because it affected all export items—was the improvement during 1933 in the exchange value of sterling.

Exchange Level Helps

During 1931, the average exchange rate for sterling was slightly below par, the decline taking place after Britain left the gold standard in September, 1931. During 1932, the average exchange value of the pound was around $3.90. In January, 1933, the rate was $3.85 which increased quickly after April, following the United States action in leaving the gold standard. Thus, during the latter half of the year—the period during which about 70 per cent of Canada's export trade in the affected items is always done—the average rate was about $4.90 to the pound in 1933 as compared with about $4.50 in the same period of 1931.

Russian Embargo

Although actually no change was made at the Imperial Conference in the preference allowed on Canadian lumber, Britain agreed to restrict imports of lumber from countries producing by Government subsidized labor. Although Russia was not specifically mentioned in the agreement, in April, 1933, following a short but complete embargo of Russian goods, lumber imports from that country were restricted by a quota and the quota being later reduced for 1934. During the period of the embargo, Canadian lumber obtained a foothold in the British market and this was strengthened by the succeeding quota.

It might be successfully argued that the increases in Canada's export trade of items affected by the Imperial Conference agreements have been made at the expense of other world countries and that, therefore, the agreements did nothing to add to the total volume of world trade; or, in other words, that they did not create a greater demand for any commodity. Among the leading items, quotas shut out European countries in bacon and hams, tariffs affected the exports of U. S. A. to U. K. in apples, copper, lead and zinc, quotas affected Russian lumber and the Irish Free State's market was reduced by the lifting of restriction affecting the cattle trade.

Tariffs Were Imminent

It should be borne in mind, however, that world economic conditions were such that the U. K. was being slowly but surely forced to terminate its ancient policy of free trade. By allowing Empire countries free entry for their produce at the expense of other world countries, Britain created a tariff barrier for use in further bargaining without reducing the volume of trade. The McKenna duties, enacted before the opening of the Ottawa Conference, definitely show the trend toward tariffs in the United Kingdom.

Imports Much Greater

There were 220 changes made in the Canadian customs tariff as a result of the Canada-United Kingdom agreement signed at the Ottawa Conference, the greatest number being in the iron and steel and machinery, textiles and chemicals groups. Major individual items affected included: anthracite coal, alcoholic beverages, wool yarns, tinplate, china, aniline dyes and cotton goods. Altogether, it was estimated by The Financial Post, over $200,000,000 worth of import trade, in an average year, was affected. Of this total, Britain obtained less than $70,000,000 in the fiscal year ended March 31, 1931.

As preliminary figures for 1933 are not complete enough to give statistics of all the items affected by the treaty, it is impossible to estimate the total extent of the trade in these goods in 1933. Trade in the most important items can, however, be compared.

Few Losses Reported

In a group of the 22 leading items affected by the agreement—the group accounting for about one half of the total trade of the 220 items—gains in value were recorded in 1933 in 15 cases and declines in 7 cases when compared with 1931. There was a small decline in total imports, entirely accounted for by the large decrease in the value of gin and whisky imports. By excluding gin and whisky, the total imports of the group in 1933 are shown to be nearly $8,500,000 greater than in 1931, an increase of about 40 per cent.

Exchange Hindrance

During the first six months of 1933, the exchange situation was such as to definitely encourage British exports to Canada had it not been for the imposition of a dumping duty which automatically cancelled any advantage which would have been given by exchange. It can therefore be assumed that the increases which took place in imports from the United Kingdom were not in any way helped by the exchange situation. As a matter of fact, the high rates of the latter half of 1933 were a hindrance.

From the figures appearing in the accompanying tables, it will be noticed that wheat has been subtracted from the total exports and liquors from imports. There are two reasons for subtracting the wheat total: one, because a large proportion of the exports of wheat, shown in Canada's trade returns as sent to Britain, are diverted to other countries; and two, because it is generally accepted that the preference on wheat has had only a minor effect in increasing exports to Great Britain. Wheat trade also has been affected by other important considerations, notably crops and marketing factors.

Liquors are eliminated because of Canada's action in prohibiting exports to the United States and the later repeal of prohibition and the fact that, in 1931, a large amount of the exports to Canada from Great Britain were eventually sent to that country. Neither of these items, then, give a true picture of the effect of the agreements.

Canada's Pact With U. K. Brings 36 p. c. Export Gain

	Conference Preference*	Former Preference†		Volume of Exports 1933	1931	Change 1931-1933
Preferences Established at Conference:						
Wheat	6.1c. bu.	none	bu.	120,737,260	107,388,175	+13,349,085
Copper	4.05c. lb.	none	cwt.	1,381,898	221,672	+1,160,226
Cheese	15%	10%	cwt.	707,076	805,655	—98,579
Dried fruits	$2.56 cwt.	$1.69 cwt.	cwt.	8,201	2,569	+5,632
Butter	$3.65 cwt.	10%	cwt.	37,185	86,569	—49,384
Apples	$1.09 cwt.	10%	bbls.	2,640,110	1,339,663	+1,300,447
Pears	$1.09 cwt.	10%	....	......	......	......
Canned apples	85c. cwt.	10%	....	......	......	......
Eggs (in shell)	2 to 4c. doz.	10%	doz.	1,750,075	431,070	+1,319,005
Condensed milk	$1.22 cwt.	20%	cwt.	211,346	6,127	+205,219
Live cattle	Restrictions removed		No.	50,817	27,149	+23,168
Bacon & hams	Quota established		cwt.	715,246	109,617	+605,629
Temporary Preferences Made Permanent:						
Timber	10%	10%	M. b. ft.	450,706	112,038	+338,668
Fresh fish	10%	10%	cwt.	52,162	27,503	+24,659
Canned salmon	10%	10%	cwt.	111,518	197,190	—85,672
Asbestos	10%	10%	ton	4,633	1,801	+2,832
Zinc	10%	10%	cwt.	1,178,205	1,487,529	—309,324
Lead	10%	10%	cwt.	1,723,179	957,122	+766,057
Tobacco	50c. lb.	50c. lb.	lbs.	13,722,531	6,220,917	+7,501,614

*Sterling converted at $4.86 2-3 to $1.

†Result of McKenna duties, Feb., 1932. Free trade ruled in 1931.

Value of Export Trade Affected

	1933	1932	1931	Change 1931-33
Wheat	$76,299,815	$75,965,723	$63,588,557	+$12,711,258
Copper	9,445,783	5,718,046	1,961,794	+7,483,989
Cheese	7,628,260	8,504,722	9,959,131	—2,330,871
Dried fruits	64,005	17,373	8,967	+55,038
Butter	665,857	353,179	1,815,801	—1,149,944
Apples	10,061,420	5,639,946	5,300,934	+4,760,486
Pears	....	....	....	....
Canned apples	....	....	....	....
Eggs (in shell)	363,285	3,972	96,911	+266,374
Condensed milk	1,348,324	222,962	57,935	+1,290,389
Live cattle	3,198,194	1,257,398	2,218,383	+979,811
Bacon & hams	8,071,803	3,010,203	1,493,363	+6,578,440
Timber	7,634,723	3,530,639	3,224,901	+4,409,822
Fresh fish	701,088	355,124	473,885	+227,203
Canned salmon	2,339,298	2,523,091	3,778,008	—1,438,710
Asbestos	395,891	162,516	108,397	+287,494
Zinc	3,427,014	2,277,559	3,448,353	—21,339
Lead	3,040,071	1,849,717	1,989,432	+1,050,639
Tobacco	3,639,094	3,177,764	2,018,802	+1,620,292
Total	138,323,925	114,569,933	101,542,553	+36,779,372
Total, less wheat	62,024,110	38,604,210	37,954,996	+24,069,114
Total exports to U.K.	210,414,331	178,171,680	171,534,822	+38,879,509
Total exports (all countries)	531,474,179	493,808,841	605,336,003	—73,861,824

Lower Tariffs Stimulate U. K. Exports to Canada

	Change in Gen. Tariff	Change in Br. Preference		1933	1931	Change 1931-33
Gin, whisky, etc.	unch.	down	gal.	478,534	935,880	—457,346
Aniline dyes	up	unch.	lbs.	536,270	208,413	+327,857
Perfumery	up	down	...	......	......	......
Oils for soap	up	unch.	gal.	670,429	187,403	+483,026
Peanut oil	up	unch.	cwt.	88,539	26,942	+61,597
China tableware	up	unch.	...	......	......	......
Window glass	up	down	sq. ft.	6,494,595	1,008,906	+5,485,689
Plate glass	up	down	sq. ft.	655,478	915,198	—259,720
Aluminum & mfgs.	up	unch.	...	......	......	......
Iron and steel:						
Plates	up	unch.	cwt.	122,569	457,963	—335,394
Sheets	up	unch.	cwt.	259,070	129,366	+129,704
Tin plate	up	unch.	cwt.	1,574,406	809,320	+765,086
Wire for rope	*	unch.	cwt.	52,449	86,003	—33,554
Cutlery	up	down	...	......	......	......
Automobiles	unch.	down	No.	368	103	+265
Textiles:						
Unbleached cotton	unch.	down	lbs.	1,982,480	......	......
Bleached cotton	unch.	down	lbs.	1,295,365	......	......
Flax fabrics	up	down	...	......	......	......
Wool yarns	unch.	down	lbs.	3,943,499	3,029,490	+914,009
Socks, stockings	unch	down	doz. pr.	85,587	198,966	—113,379
Leather, unmanuf.	up	down	...	......	......	......
Anthracite coal	up	unch.	tons	1,603,071	876,364	+726,707

*Intermediate tariff alone increased.

Value of Import Trade in Certain Items Affected by Agreement

	1933	1932	1931	Change 1931-33
Gin, whisky, etc.	$10,047,867	$11,814,594	$19,348,487	—$9,300,620
Aniline dyes	305,695	193,435	134,198	+171,497
Perfumery	112,173	166,372	191,455	—79,282
Oils for soap	286,088	92,991	97,937	+188,151
Peanut oil	435,600	76,000	131,467	+304,133
China tableware	2,095,762	2,280,255	2,381,115	—285,353
Window glass	195,043	37,673	47,125	+147,918
Plate glass	244,381	266,366	337,139	—82,758
Aluminum & mfgs.	739,870	843,598	466,432	+263,438
Iron and steel:				
Plates	251,411	579,302	845,218	—593,807
Sheets	681,487	758,983	346,000	+335,487
Tin plate	6,909,325	3,120,090	3,115,058	+3,794,267
Wire for rope	334,918	310,913	551,058	—216,140
Cutlery	612,180	386,818	433,102	+179,078
Automobiles	405,503	212,430	358,602	+46,901
Textiles:				
Unbleached cotton	661,668	265,306	342,127	+319,541
Bleached cotton	648,455	536,078	570,277	+78,178
Flax fabrics	1,002,320	318,648	629,662	+372,656
Wool yarns	2,801,080	2,271,266	2,238,717	+562,363
Socks, stockings	326,895	409,719	837,014	—510,119
Leather, unmanuf.	837,474	609,497	551,995	+285,479
Anthracite coal	8,180,522	6,908,426	5,048,369	+3,032,153
Total	38,115,717	32,633,610	39,002,554	—886,837
Total, less gin, etc.	28,067,850	20,839,016	19,654,067	+8,413,783
Total imports fr. U. K.	98,067,074	98,503,143	109,468,081	—11,401,007
Total imports (all countries)	401,254,311	452,614,257	628,098,389	—226,844,078

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DIVIDEND NOTICES

The Canadian Bank of Commerce

Dividend No. 188

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 28th February, 1934, and that the same will be payable at the Bank and its Branches on and after Thursday, 1st March next, to shareholders of record at the close of business on the 31st January, 1934. The Transfer Books will not be closed.

By Order of the Board.

S. H. LOGAN,
General Manager.

Toronto, 19th January, 1934.

The Bank of Toronto

Dividend No. 210

Notice is hereby given that a **Dividend of Two and One-Half per cent** upon the Paid-Up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of March next, to shareholders of record on February fifteenth, 1934.

By Order of the Board.

H. B. HENWOOD,
General Manager.

The Bank of Nova Scotia

DIVIDEND No. 257

Notice is hereby given that a Dividend of three per cent on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of March 16th, and that the same will be payable on and after Tuesday, the third day of April next, at any of the offices of the Bank in Canada.

By order of the Board.

H. F. PATTERSON,
General Manager.

Halifax, N.S., February 13th, 1934.

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1934, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 3rd day of April, 1934, to Shareholders of record of the 20th March, 1934.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 15th February, 1934.

Sylvanite Gold Mines, Limited

(No Personal Liability)

DIVIDEND NO. 9 AND BONUS

NOTICE IS HEREBY GIVEN that the regular quarterly dividend of two and one-half per cent. (2½%) and a bonus dividend of two and one-half per cent. (2½%) on the outstanding capital stock of the Company have been declared by the Directors and the Company, both payable March 31st, 1934, in United States funds, to shareholders of record at the close of business March 1st, 1934.

By order of the Board.

W. S. WALTON, Secretary.

Toronto, February 19th, 1934.

DIVIDEND NOTICES

RELIANCE GRAIN COMPANY LIMITED

PREFERENCE DIVIDEND No. 25.

NOTICE is hereby given that a dividend for the quarter ending February 28th, 1934, at the rate of 6½% per annum, will be paid on March 15th, 1934, to all preference shareholders of record at the close of business on February 28th, 1934.

By order of the Board.

A. W. GIBB,
Secretary.

Winnipeg, February 13th, 1934.

International Petroleum Company, Limited

Notice of Dividend No. 40

NOTICE is hereby given that a dividend of 28c Canadian Currency per share has been declared, and that the same will be payable on or after the 15th day of March, 1934, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of coupons No. 40 at:—

THE ROYAL BANK OF CANADA,
King and Church Streets Branch,
Toronto, Canada.

The payment to Shareholders of record at the close of business on the 28th day of Feb., 1934, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 14th day of March, 1934.

The Income Tax Act of the Dominion of Canada having been amended, effective April 1st, 1933, to provide that a tax of 5% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada, the above mentioned tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the 5% tax when paying coupons to or for account of non-resident shareholders. Ownership Certificates will be required by the paying Bankers in respect of all dividend coupons presented for payment by residents of Canada.

Shareholders resident in the United States are advised that a credit for the 5% Canadian tax withheld at source is allowable against the tax shown on their United States Federal Income Tax return. If it is desired to claim such credit the United States tax authorities require evidence of the deduction of said tax. In order to secure such proof Ownership Certificates (Form No. 601) must be completed in duplicate and the Bank cashing the coupons will endorse both copies with a certificate relative to the deduction and payment of the 5% tax and return one Certificate to the shareholder. If Forms No. 601 are not available at local United States banks, they can be secured from the Company's office or the Royal Bank of Canada, Toronto.

Holders of Bearer Share Warrants are hereby notified that an additional supply of dividend coupons numbered 41 to 60 inclusive, together with a new talon for a further supply of coupons, will be issued by the Company on or after 15th March, 1934, in exchange for the talon which is attached to the Bearer Share Warrants. The talon only should be detached from the Bearer Share Warrants and presented at or forwarded to the Company's Office by registered mail when a new supply of coupons, bearing the same serial number as the Warrant from which the talon is detached, will be issued in exchange therefor.

To facilitate the issue of the new supply of dividend coupons, the transfer books will be closed from the 1st day of March to the 24th day of March, 1934, inclusive, and no Bearer Share Warrants will be "split" during that period.

By order of the Board.

J. R. CLARKE,
Secretary.

56 Church Street, Toronto 2, Canada.
19th February, 1934.

Lake Shore Mines, Limited

(No Personal Liability)

DIVIDEND No. 56

Notice is hereby given that a quarterly dividend of fifty per cent on the issued capital stock of the Company, will be paid on the fifteenth day of March, 1934, to shareholders of record at the close of business on the first day of March, 1934.

By order of the Board.

KIRKLAND SECURITIES, LIMITED.
Secretary.

Dated at Kirkland Lake, Ontario, February 15th, 1934.

Dividend Notice

San Antonio Gold Mines, Limited

(Non-Personal Liability)

Dividend Number One

Notice is hereby given that a dividend of five cents (5c) per share upon the shares of the Company issued and outstanding has been declared payable March 15th, 1934, to Shareholders of record at the close of business on the 1st day of March, 1934.

Winnipeg, Manitoba, February 5th, 1934.

J. D. PERRIN,
President.

QUOTA ALLOWANCES ABOUT HALF FILLED

Canadian Visible Supplies Show General Contraction in Volume

In respect to the wheat agreement and the progress that shipments are making from the various countries, Canadian exports for the first half of the year, inclusive of wheat flour were slightly in excess of 50 per cent of the 200 million bushels allotted; Argentine shipments aggregated about 45½ per cent, but to date are about 52 per cent of the quota of 110 million bushels; while Australia had cleared only some 43 per cent in the first 26 weeks but has since raised this to about 46½ per cent of the quota of 105 million bushels allotted for the season.

Visible supplies of wheat in Canada are still going down despite a liberal movement from farms. The receipts at country elevators in the west have been astonishingly large the past few weeks, and indicate either that the crop in 1933 was larger than estimated, or that farmers are cleaning up either because they are satisfied with the present price or that they fear marketing restrictions later on in the year.

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Wheat

From Our Grain Correspondent

Floating Supplies Heavy

WINNIPEG.—Extreme dullness continues to mark the wheat market, with only a minimum of trading in progress. A note of weakness has been apparent during the past few days, both Liverpool and Chicago affecting Winnipeg prices unfavorably, and such encouragement as came for a short time from strength in sterling disappeared as subsequent weakness developed in the exchange situation.

Immediately the centre of interest are shipments from the Argentine, from which country the bulk of world wheat shipments have been made during the past few weeks. The extent of those shipments, as supplies were put afloat faster than deliveries were being made at European ports, gradually built up stocks of wheat afloat to practically 40,000,000 bushels, and although this is smaller than the quantity afloat at the same time last year, it represents a large increase during recent weeks. Now the shipments of some weeks ago are beginning to arrive at European ports, and this, together with arrivals expected in the near future, is having an effect at Liverpool. Hedging sales are reported to have been made in fairly large quantity at Liverpool during the past week against Argentine grain now afloat.

* * *

Argentine Quota Problem

ARGENTINE shipments cannot continue at the present rate for long if that country is going to confine its wheat exports to the quota understood to have been assigned under the London wheat agreement, and the question as to how Argentine purposes to implement her commitments under that agreement must shortly arise. Recent reports have indicated that in Argentine it is assumed that shipments of wheat from that country to Brazil and China are to be regarded as additional to the quota allotment, which, of course, is not the understanding here or in other countries, and Liverpool is showing a good deal of interest as to the outcome if a difference of opinion develops on this point.

Argentine wheat is selling in England at a considerable discount under Canadian wheat, and some recent British comment suggests that Canada is repeating former errors in holding wheat at too high a price in comparison with that asked by other countries. But with present limitations upon the market it is not clear that much more Canadian wheat could be disposed of by making price concessions. The high duty countries in Europe still show a preference for Canadian wheat, and a willingness to pay a premium in order to be sure of quality for mixing purposes.

* * *

U.S.A. Prospects Improve

AT CHICAGO the outlook for the winter wheat crop is regarded as having improved considerably because of recent rains, although over very large areas conditions are still regarded as being somewhat precarious. Within a few weeks it will be possible to make estimates respecting the extent of acreage abandonment because of winter damage. In the spring wheat States danger from grasshoppers is regarded as being more serious than in Canada, but fears in that respect are not likely to be active until the hatching season commences.

Lake freights for the opening of navigation are still holding at six cents a bushel to Montreal, and a fair amount of business has been booked at that rate.

* * *

Canadian Acreage Down

AS SEEDING time approaches, opinion strengthens that the decline in Western wheat acreage this year will be considerable. This will be greatest in the dried out areas of last year, where seed supplies are deficient, and where horse power will be short because of lack of feed.

Grain Briefs

Canadian Wheat re-entered the Brazilian market in 1933 after an absence of two years. In 1926 Canada shipped 500,000 bushels to that country, but no more until 1930, when 205,333 bushels were sent. In 1933 Canada exported 279,070 bushels, valued at $176,713.

Wheat Exports—A decrease of more than 300,000 bushels was shown in export clearances of wheat for the week ending Feb. 16, when 2,013,367 bushels were exported compared with 2,388,371 bushels during the previous week.

Wheat in store on Feb. 16, amounted to 232,557,145 bushels, compared with a revised figure of 232,835,363 the week before and 226,515,659 on the corresponding date of 1933.

Seek to Reduce Rates On Grain Via Vancouver

Designed to give the people of British Columbia lower freight rates on grain from Fort William to the Pacific Coast, an amendment to the Railway Act will be introduced in the House of Commons by Thomas Reid (Lib., New Westminster).

The bill would make the Crow's Nest rates, now applying on grain moving eastward from Calgary to the Head of the Lakes, applicable to grain shipments from Fort William to Vancouver.

Imperial Oil Limited

IMPORTANT NOTICE

Notice is hereby given that on and after the first day of March, 1934, new Coupon Sheets will be issued to the holders of Bearer Share Warrants of this Company, upon surrender of the NUMBERED TALON attached to the bottom of the Share Warrant. This Talon should be detached from the Share Warrant Certificate, and forwarded by registered mail, insured, to the Office of the Secretary, 56 Church Street, Toronto, Ontario.

At the earliest date possible after the receipt of this Talon, new Coupon Sheets bearing the same Serial Number as the Certificate from which the Talon is detached, will be returned in exchange therefor.

By Order of the Board,

F. E. HOLBROOK,
Secretary.

56 Church Street, Toronto, Ont.

Grain and Milling in Canada

WHEAT GRANTS AID TO FARMERS IN AUSTRALIA

Full Details of Bonus Plan Show How £3,000,000 Distributed

Further details regarding the financial assistance to be given to Australian wheat growers under the provisions of the Wheat Growers Relief Bill introduced in the House of Representatives, Canberra, by the Prime Minister on December 1 last, are contained in a recent issue of the Commercial Intelligence Journal.

Details are as follows:

1. A flour sales tax of £4 5s. a ton (2,000 pounds) to be levied up to June 30, 1934—estimated to produce £1,000,600.

2. An increased customs duty of 6d. a pound on tobacco—estimated to produce this year £180,000. (This duty came into operation on November 25.)

3. The budget proposal relating to the special tax on property income to be modified so that the tax will be 6 per cent instead of 5 per cent—estimated to yield £220,000.

4. To be provided from the budgets of 1933-34 and 1934-35—£1,050,000.

Financed By Treasury Bills

The Commonwealth Bank has agreed to provide the necessary finances on the condition that £1,950,000 be raised by treasury bills subject to repayment from revenue not later than June 30, 1934. The balance of £1,050,000 is to be repaid from revenue not later than June 30, 1935.

Should the budgetary position of the Commonwealth improve sufficiently by June 30, 1934, the flour tax is to be removed on or before that date, its incidence being purely temporary.

The grant of £3,000,000 is allocated on acreage basis among the various states of the Commonwealth as follows:—

New South Wales	£911,094
Victoria	603,586
Queensland	76,455
South Australia	764,543
Western Australia	639,493
Tasmania	4,024
Federal Capital Territory	805

To Cut Production Costs

The Government has requested the states to apply the money thus received to the reduction of production costs of wheat, including the cost of transport and marketing, and to provide assistance for necessitous wheat growers, but the assistance is not to be based directly or indirectly on the quantity of wheat produced by individual growers. An important stipulation in this regard is that the State Governments are required to restrict the financial assistance to growers who did not receive taxable income during the financial year ended June 30, 1933.

Details of Flour Tax

The tax on flour of £4 5s. a ton is operative from December 1, and applies to all sales of flour made by millers on and after December 1, 1933, and on deliveries made by millers on and after that date in fulfilment of earlier contracts. It is also applicable to flour used by millers in the manufacture of other goods for sale. The tax applies to all stocks of flour in excess of 1,000 pounds weight in possession of any person other than a miller on December 1. It applies to flour and to flour contents of macaroni, biscuits, starch, and other products imported into Australia prior to July 1, 1934. In effect the flour tax is intended to apply to all flour used between November 30, 1933, and June 30, 1934. Exports of flour are exempt from the tax, and a rebate will be allowed equal to the amount of tax paid on flour used in the manufacture of export products. Public charitable institutions are to be relieved of the flour tax.

PREMIER TRUST CO. ADDS TO ASSETS

Profit Was Higher at 5.29 p.c. in 1933; 4.60 p.c. in 1932

Net revenue of Premier Trust Co. was $18,694 in 1933 as compared with $15,038 in 1932. After deducting income tax, the company earned 5.29 per cent on paid in capital of $317,421 in 1933 and 4.60 per cent on paid in capital of $300,063 at the end of 1932. Dividends were continued at the rate of 5 per cent per year plus a bonus of 1 per cent. Surplus was increased by $683 from premiums on sale of capital stock and $1,027 transferred from investment reserve. Reserve fund remains at $15,000. Investment reserve is $2,000.

Estates, trusts and agency funds show good increase to $2,415,422 from $1,906,149 shown in 1932. Guaranteed investment certificates outstanding are up to $215,020, with interest, from $189,736 in 1932; trust deposits are up to $38,755 from $36,364.

Liquidity of assets has been increased. In guaranteed trust account and capital account cash amounts to $42,323, down from $53,509, in 1932, but Dominion of Canada bonds have been increased to $17,583 from $7,549; there has been added $6,644 of provincial bonds and debentures and investment receipts of loan and trust registered in Ontario are up to $86,320 from $81,319. Municipal and British Colonial debentures total $7,906 including interest.

In guaranteed trust account mortgage investments are down to $181,593 from $186,251 while interest due and accrued is up to $9,118 from $7,584. In capital account, mortgage loans are up to $137,548 from $131,213 and interest is up to $9,798 from $7,334.

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate $	Rate Earned per sh.† $
1928	180,000	10,937	5.50	6.4
1929	190,000	13,128	6	7.2
1930	190,000	12,407	6	6.5
1931	230,055	9,520	5	4.8
1932	300,063	13,817	5+1	5.3
1933	317,420	16,810	5+1	5.3

* After deducting provision for taxes and sundry adjustments. † On average capital.

Year	Guar. Account $	Estates under Adminis. $	Total Reserves $
1928	170,128	1,141,114	18,000
1929	156,499	1,743,297	20,000
1930	159,173	1,726,162	20,000
1931	221,749	1,912,167	20,000
1932	226,099	1,906,148	15,000
1933	253,775	2,415,422	15,000

Thinks Wheat Agreement Only Partial Solution

D. A. MacGibbon Thinks Restriction of Exports Better Than Scramble For Reduced Market—Surveys Opinions on Reason For Surplus

D. A. MacGibbon, member of the Board of Grain Commissioners of Canada, makes an apt remark when he opens a review of "The Wheat Problem" in the current issue of the University of Toronto Quarterly by saying that "the mass of literature dealing with wheat that has accumulated during the past five years is almost as great as the wheat surplus." Mr. MacGibbon makes no apology, however, for attempting to lay bare the fundamental elements of the problem. Also, to make clear the theories for solution of the problem that are advocated or being attempted and finally to indicate the bearing of the world situation upon Canada and the Canadian wheat grower.

At the outset Mr. MacGibbon sets forth in no uncertain terms that the explanation of the catastrophic fall in wheat prices which has occurred in recent years falls upon two lines. On one side are those who hold that the present situation has been produced by the under consumption of wheat, on the other those who believe it is due to overproduction. "Both groups," he says," are equally positive that they are correct. Moreover, their disagreement about the cause of the evil naturally leads them to offer different solutions to remedy it."

Explains Theories

Mr. MacGibbon approaches the wheat problem by first giving a few brief statistics and tables in order to clarify in the reader's mind just what has gone on in this respect in recent years. He comes to the obvious conclusion that with increased world acreage and increased world production, there have been built up accumulations of stocks of wheat greater than can be absorbed by current demand. This world's surplus has overhung the market and produced a catastrophic fall in the price. The problem then arises as to how to reduce this world surplus to normal proportions and thereby pave the way for an increase in the price of wheat.

Next he takes the under-consumption theory and points out that those who hold this view maintain that the piling up of vast world surpluses of this commodity is essentially a sympton of world distress rather than a cause. The choked channels of international trade, instability of foreign exchange, and finally the great armies of unemployed are factors used to support this view. "Wheat growers and wheat exporting countries, they believe, are in the clutch of circumstances which have set the whole world awry, circumstances far more difficult to diagnose and cope with than mere overproduction of wheat.

"Even the rapid increase in acreage is explained, they say, in part by growth in the world's population and for the remainder the situation would rapidly adjust itself if the state were to cease interfering with the operations of the law of supply and demand.

"The wheat growers have been readily led into continuous overproduction by hopes raised through government action. The position maintained is that as long as wheat growing states continue to bolster the price of wheat artificially just how long will the world have undue surpluses of wheat.

"In their view the situation can only be permanently ameliorated by reductions in tariff bringing a resumption of the peaceful fruits of international trade. Thus, the solution to the wheat problems that they offer is incidental to wide views of public policy and long run considerations of public welfare."

Overproduction Theory

The viewpoint of those who hold the overproduction theory is now well known and bases its case quite simply on the statistics of the situation. Their conclusion is that acreage in wheat must be reduced and since low prices have proved ineffective some form of control based on international agreement must be established.

Mr. MacGibbon then devotes considerable space to an outline of the international wheat agreement which came about, he believes, as the natural corollary to the breakdown of the World Economic Conference.

Outlines Wheat Pact

"There can be little doubt that in so far as the wheat agreement promises, temporarily at least, to bring some order into the competitive scramble for a diminished market in Europe, it should have results of value, but, broadly speaking, the really significant fact to mark has been the inability of the oversea wheat-exporting countries to secure any commitments from the European wheat-importing countries involving a positive decrease in their production of wheat. The undertaking of these countries to moderate their restrictions upon imports is limited by the statement that this concession is not inconsistent with maintaining the home market for domestic wheat grown on the area at present under cultivation. The financial burden entailed by supporting uneconomical production of wheat may force certain European countries to relax their efforts to produce wheat, but this is not within the terms of the agreement.

"The unhealthy stimulation of European wheat-production is a result partly of attempts in the past by overseas producers to maintain a high price on the wheat exported, but especially of intensified nationalism and the fear of war. Barring short crops in Europe as a result of unfavorable seasons, until the turgid tide of nationalism begins to recede and the fear of war in Europe abates, the oversea wheat-exporting countries will find it difficult to bring wheat-exports to the high level previously achieved. It is significant that, quite apart from the wheat agreement, Broomhall's estimate for Canadian export shipments for the present crop-year is placed at 193 million bushels.

Turn to Mixed Farms

"A continued export trade in wheat by Canada amounting on the average to 200 million bushels per year would still leave this commodity one of her most important articles of export. In so far as it would imply a reduction in wheat acreage in Western Canada it should accelerate the movement now observable in certain areas in the West, particularly in Manitoba, to turn to other forms of agriculture. How to adjust a reduction in wheat acreage in Western Canada so that this reduction would occur in those areas least suited to the production of wheat calls for a further application of the principles of economic planning and of state control."

Vancouver Led As Grain Port In Past Year

Vancouver wrested supremacy as Canada's leading grain port from Montreal in 1933—the first time that Montreal has been replaced in the history of the trade. While the volume passing through both ports suffered from lack of export markets, the fact that Vancouver's season extends for twelve months decided in favor of the Pacific port.

In 1932, Vancouver ran a close second to Montreal in total shipments, both ports handling slightly more than 105,000,000 bushels. Last year, the Montreal total was cut to 56 million bushels while Vancouver declined to 68,828,000 bushels, giving the latter port an advantage of close on 13 million bushels.

Wheat export of the two ports during the past five years follows:

Year	Montreal	Vancouver
1933	56,013,870	68,828,024
1932	105,562,005	105,006,925
1931	78,917,334	70,841,445
1930	68,381,378	63,728,945
1929	80,982,436	73,500,121

Canadian Poultry Consume Over 85,000,000 bu. Grain

It is estimated that Canada's poultry consumed over 85,000,000 bushels of mixed grain in 1931, this estimate being based upon an average consumption of 65 pounds for over 65,000,000 head. The various grains, says the Dominion Poultry Husbandman, that enter this mixture, with an estimate of the number of bushels (in millions) of each, are: Wheat, 34; barley, 21; oats, 17, and other grains, 13, that is, 40, 25, 20 and 15 per cent respectively.

This means that at the 1932 average yield per acre in all Canada of 15.8 bushels of wheat, 21.5 bushels of barley, and 29.8 bushels oats, it took over 4,000,000 acres to grow the grain that was marketed through the poultry route. Of this average, over 2,000,000 acres were required to produce the wheat alone.

FRONTENAC'S BONDHOLDERS RECEIVE OFFER

Plan to Redeem Brewery Bonds at Par by June

From Our Own Correspondent

MONTREAL. — Bondholders of Frontenac Breweries, controlled by National Breweries, will meet on March 19 to consider a proposal whereby their bonds will be redeemed prior to June, 1934, at par and accrued interest, instead of at 110 per cent of the par value as provided in the trust deed.

Originally Frontenac Breweries issued $1,100,000 of 6 per cent first mortgage bonds. Part of this financing was carried out in 1912 and in 1919. L. G. Beaubien and Co., and Versailles, Vidricaire, Boulais Ltée., of Montreal, offered $400,000 to the public. By the end of 1932 the outstanding bonds had been reduced to $87,900 through operation of the sinking fund.

National Breweries Control

In the late part of 1925 or early part of 1926 Frontenac Breweries was engaged in a price war in the Montreal field. The net result of this merchandising battle was an offer for control from National Breweries. Both the preferred and common shareholders of Frontenac were offered $120 a share for their holdings by National Breweries. This offer was accepted and control changed hands.

Operating statements of Frontenac Breweries have not been too favorable in recent years and on December 1 last the company failed to meet interest payments on its bonds. The company also failed to provide sinking fund payments as provided for in the trust deed.

Winnipeg Grain Prices

Week to February 20, 1934

Crop year from Aug. 1, 1933 High	Low		Open Feb. 14	High for week	Low for week	Close Feb. 20
		Wheat				
.95	.59¼	May	.67⅛	.68½	.67	.67
.71½	.62¼	July	.69	.69⅝	.68⅛	.68⅛
		Oats				
.48½	.29½	May	.35¾	.36⅛	.34⅞	.34⅞
.38⅝	.32⅛	July	.36¼	.36⅛	.35	.35¼
		Barley				
.59¾	.32½	May	.42⅛	.42⅝	.40⅝	.40⅝
.44⅝	.36¼	July	.43⅛	.43⅝	.42⅝	.41⅝
		Flax				
1.71½	1.15	May	1.50¼	1.53	1.50¼	1.52¼
1.58	1.39½	July	1.50½	1.51½	1.49½	1.50⅝
		Rye				
.68½	.39¼	May	.49⅝	.49⅞	.48⅝	.48⅝
.53¼	.49⅝	July	.50⅝	.51⅛	.49⅝	.49⅝

DOSCO'S POSITION ON BETTER BASIS THAN YEAR AGO

Coal, Steel and Iron Ore Divisions Show More Promise

From Our Own Correspondent

MONTREAL.—Conditions in the coal and steel industries in Nova Scotia and at the iron ore mines in Newfoundland are encouragingly improved over conditions in these associated operations a year ago, according to Sir Newton Moore, president of Dominion Steel and Coal Corp.

Last year coal production of the corporation showed an increase over the preceding year of approximately 500,000 tons and expectations are that the output this year will show a still further increase. The particularly lengthy and severely cold winter has been a favorable factor from the company's viewpoint in the matter of increased coal consumption.

Federal Order Helps

One particularly helpful factor in bringing about a betterment in the current condition of Dosco was the action of the Federal Government in granting last spring an order for 50,000 tons of steel rails for use on the Canadian National Railways and enlarging the scope of transportation subventions to enable the Nova Scotia collieries to supply some of the requirements of bituminous coal and of coke made from Nova Scotia coal in Eastern Canada and especially in Ontario, where otherwise, imported coal would have been used. The back log given by the rail order enabled the steel plant at Sydney to take additional business that without this rail order could not have been taken.

Foreign Business Secured

During 1933 the company obtained from the Government of South Africa two orders for rails, while recently substantial orders for export to Britain have been obtained by the corporation for wire nails, wire rods and billets. As a result, the corporation has been able to run its steel plant at Sydney at 50 per cent of capacity, with present indications that this ratio will be increased for some months to come.

According to Sir Newton, while the export business obtained has been taken against keen competition and cannot be termed profitable, it has given employment and generally stimulated Canadian business. He further points out that the comparative activity of the steel plant has been reflected in increased coal consumption and production and will eventually be reflected in the ore and limestone production of the corporation in Newfoundland.

Ore Demand Less

In the Wabana iron ore mines of Newfoundland, Dominion Steel and Coal Corp. owns one of the greatest ore reserves in the world, both as to extent of deposit and excellence of quality, but thus far efforts to interest British steel producers in the use of Wabana ore have been unsuccessful. German steel manufacturers, on the other hand, have been steady users of the ore and the fact that they have, time after time, been able to ship their finished steel into Britain and other countries in competition with steel made from other ores, would seem to dispose of the suggestion that the cost of Wabana ore renders it uneconomic.

Dosco has a contract to supply the German industry with 700,000 tons of Wabana ore yearly, but with the industrial depression, the company permitted a reduction in the amount taken equal to the ratio of decline in the iron ingot output. Last year shipments of Wabana ore to Germany fell well below 300,000 tons, according to Sir Newton, who expects, however, an advancing tendency in demand this year.

U. K. Best Flour Customer

Canada's best customer for her flour last year was Great Britain which took 2,438,447 barrels as compared with 2,285,951 barrels in 1932.

LAKE OF THE WOODS MILLING CO., Ltd.
Makers of FIVE ROSES FLOUR
Mills at
Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat
DAILY CAPACITY 20,000 BARRELS
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Vice-President HUGH MACKAY, K.C.
General Manager C. H. G. SHORT
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101 COAL SHEDS
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Head Office: 919 Grain Exchange, Winnipeg
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Grain Merchants
Shippers & Exporters
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Terminal Elevator at Port Arthur
(Capacity 5,500,000 bushels)
Over 250 Elevators in Western Canada

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ANNUAL REPORT OF THE DIRECTORS OF

The Goodyear Tire and Rubber Company

OF CANADA, LIMITED

New Toronto, February 1st, 1934.

To the Shareholders:—

Your Board of Directors submits a Consolidated Balance Sheet of THE GOODYEAR TIRE & RUBBER COMPANY OF CANADA, LIMITED and its subsidiary companies, certified by your Auditors, which sets forth the results of the operations for the year ended December 31st, 1933 and the financial position of the combined companies.

The operations of the combined companies have resulted in a profit of $1,991,510.64 after charging all manufacturing, selling and administrative expenses and income taxes but before providing for depreciation; from this amount there has been set aside a reserve of $614,034.05 for depreciation on buildings and equipment, leaving a net profit of $1,377,476.59. This amount of net profit represents an increase of $659,723.92 over the net profits of 1932.

A comparison of the market prices of rubber and cotton at December 31st, 1932 with those of December 31st, 1933 shows that the spot price of crude rubber has increased 178% and of basic raw cotton (that is, ⅞" Middling Upland) 70%. Notwithstanding this substantial increase in prices of our crude materials during the year, there were practically no increases made in the selling prices of our finished products. Your Companies were fortunate in entering the beginning of the fiscal year just closed with a large quantity of rubber and cotton at prices which were materially below the average prices for the year; the year's favorable results reflect this fact. The inventories as at December 31st, 1933 were taken at cost or market, whichever was lower. We might add that your Companies enter the new year with large quantities of cotton and rubber at much below the current market prices.

There is an item of accrued profits on export business amounting to approximately $200,000.00 which is not included in this statement owing to the fact that the exact amount has not yet been definitely determined.

The outstanding Accounts Receivable have been carefully reviewed and reserves which are considered adequate have been established to meet all probable losses and liabilities.

Your Companies have maintained their consistent policy in regard to provision for depreciation. The accumulated reserve for depreciation is now $6,238,692.57 leaving the net book value of the total investment in plants and buildings at 47% of cost. The manufacturing equipment of the rubber plants, including installation, stands on the books of the Company at a net value of 19.6% of cost.

Below is given a summary showing how the combined operating profits of the Companies, for the past year, have been applied:—

Dividends on 7% Preferred Stock	$507,547.25	
Dividends on Common Stock	360,164.00	$ 867,711.25
Purchase of Bonds of Goodyear Cotton Co. of Canada, Ltd.		582,500.00
Redemption of Preferred Shares		13,500.00
Expended for additions to plant and equipment (net)		229,648.07
Increase in Net Current Assets or Working Capital		211,338.44
Increase in Miscellaneous Investments		82,210.54
Increase in Deferred Charges		4,602.34
		$1,991,510.64

Your attention is directed to the purchase, during the year, of Bonds of GOODYEAR COTTON CO. OF CANADA, LIMITED, of the par value of $582,500.00 thus reducing the Bonds in the hands of the public to only $769,000.00. This balance outstanding is being called for redemption as of March 1st, 1934.

The total working capital, after deducting all current liabilities and tax reserves, amounts to $10,188,060.57. The cash on hand alone is approximately two and a half times the total current liabilities. The cash, call loans and Government Bonds aggregate $6,943,614.79; this represents an increase of $385,582.34 over the amount of these assets at the beginning of the year.

The usual Preferred dividends at the rate of 7% per annum, amounting to $507,547.25 were paid on the Preferred stock and dividends at the rate of 60 cents a share for the first three quarters and $1.00 per share for the last quarter, amounting to $360,164.00 were disbursed to the holders of the Common shares.

The Companies' earned surplus increased during the year by $509,765.34. The net earnings accruing on the Common stock amounted to $869,929.34 which is equivalent to $6.76 per share.

Whilst important economies have been effected in controllable expenses, we wish to call your attention to an item of uncontrollable expense, which is taxation. The total amount paid in various kinds of taxes in 1933 was equivalent to 11.37% of your net factory cost exclusive of taxes paid.

Statistics of unit sales of the Canadian Rubber Industry compiled by the Rubber Association show for the year 1933 a decrease of 10.2% in sales to dealers, an increase of 9% in sales to car manufacturers and an increase in export business of 24.55%.

The plant of Goodyear Cotton Co. of Canada, Limited, at St. Hyacinthe, Quebec, has operated at a high percentage of capacity during 1933. The production of the Cotton Company is at the highest peak in its history and it is proving an important factor in the business of the consolidated companies.

In the latter part of the year, a property was purchased in Montreal at 679 St. James Street West, which is situated adjacent to Victoria Square. This property is exceptionally well suited to our needs as a branch warehouse. The ground area consists of 7,245 sq. ft., the building contains approximately 35,000 sq. ft. of floor space and the rear of the building faces on Little St. Antoine Street, thus providing excellent receiving and shipping facilities.

Inasmuch as business conditions show signs of a gradual but sure improvement, we anticipate that in the year 1934 there will be an increase in the unit volume of sales of rubber products, not only in Canada but elsewhere. Your Company has not deviated from its policy of continually improving its products and with an increased demand for rubber goods, particularly tires, your Company should secure its full share of the available business in 1934.

Your Company has 3,778 shareholders of whom 3,524 reside in Canada. The shareholders have always shown an active and constructive interest in the Company's affairs and the sale of its products. We wish to take this opportunity of expressing to the shareholders our appreciation of their co-operation in furthering the interests of the Company and of the many letters received giving helpful criticisms and encouragement; also, we wish to thank the members of the organization, in Office, Plant and Field for their loyal and efficient services rendered throughout the year.

On behalf of the Board,
C. H. CARLISLE,
President.

The Goodyear Tire & Rubber Company of Canada, Limited and Subsidiary Companies

CONSOLIDATED BALANCE SHEET, DECEMBER 31, 1933

ASSETS

CURRENT AND WORKING ASSETS:		
Cash	$1,203,104.47	
Call loans, and Governm't bonds at market	5,740,510.32	
		$ 6,943,614.79
Accounts receivable	$1,566,311.06	
Less—Reserve for bad and doubtful accounts	98,731.02	
		1,467,580.04
Inventories at cost or market, whichever is lower:		
Finished goods	$ 901,766.82	
Goods in process	221,601.00	
Raw materials and supplies	1,150,202.57	
		2,273,570.39
		$10,684,765.22
MISCELLANEOUS INVESTMENTS:		
Stocks and bonds		205,796.96
REAL ESTATE, BUILDINGS, PLANT, MACHINERY AND EQUIPMENT:		12,149,586.28
DEFERRED CHARGES TO OPERATIONS:		
Insurance, taxes and rents paid in advance		43,434.08
		$23,083,582.54

LIABILITIES

CURRENT LIABILITIES:			
Current accounts payable		$ 285,101.55	
Reserve for income and other taxes		211,603.10	
			$ 496,704.65
RESERVE:			
For depreciation of buildings, plant, machinery and equipment			6,238,692.57
SIX PER CENT. FIRST MORTGAGE SINKING FUND GOLD BONDS OF THE GOODYEAR COTTON CO. OF CANADA LIMITED:			
Authorized and issued		$ 2,000,000.00	
Less—			
In treasury	$1,081,000.00		
Redeemed	150,000.00	1,231,000.00	
			769,000.00
CAPITAL STOCK:			
Seven per cent. Cumulative Preferred Stock:			
Authorized — 195,000 shares of $100.00 each		$19,500,000.00	
Issued and fully paid—79,498 shares of $100.00 each		$ 7,949,800.00	
Less — Redeemed 7,025 shares		702,500.00	
			7,247,300.00
Common Stock:			
Authorized—145,330 shares of no par value of which 128,630 shares have been issued		$ 128,630.00	
Capital Surplus		463,068.00	
			591,698.00
SURPLUS:			
Balance as of January 1, 1933		$ 7,230,421.98	
Profit for the year ending December 31, 1933, before providing for depreciation, but after deducting income tax	$1,991,510.64		
Less — Reserve for depreciation	614,034.05	1,377,476.59	
		$ 8,607,898.57	
Deduct—Dividends:			
On seven per cent. Preferred Stock	$ 507,547.25		
On no par value Common Stock	360,164.00	867,711.25	
			7,740,187.32
			$23,083,582.54

January 27th, 1934

To the Shareholders of The Goodyear Tire and Rubber Company of Canada, Limited:

We have examined the books and accounts of The Goodyear Tire and Rubber Company of Canada, Limited and its subsidiary companies for the year ending December 31, 1933.

We have satisfied ourselves that all charges to Property Accounts are in respect of actual additions, and sufficient provision has been made for accruing depreciation. The stocks on hand have been taken and valued by the Companies at cost or market prices, whichever were lower; the bad debt reserve is considered sufficient to provide for all doubtful accounts; the bank balances and call loans were confirmed by certificates, and we have taken all reasonable precautions to satisfy ourselves that all liabilities as at December 31, 1933 are included in the Balance Sheet.

And we report that, in our opinion, the annexed Consolidated Balance Sheet is drawn up so as to show the true financial position of the Company and its subsidiaries as of that date and the results from the operations for the year ending December 31, 1933 according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO., Auditors.

BOARD OF DIRECTORS

P. W. LITCHFIELD
Chairman

C. H. CARLISLE
C. B. McNAUGHT
J. E. McALLISTER
P. A. THOMSON
C. A. STILLMAN
C. SLUSSER

EXECUTIVE OFFICERS

C. B. McNAUGHT
Vice-President

H. A. TIPPLE
Assistant Secretary and Assistant Comptroller

D. J. McCARTHY
General Sales Manager

C. H. CARLISLE
President

R. C. BERKINSHAW
General Manager and Treasurer

O. H. BARRETT
Secretary and General Counsel

E. H. KOKEN
General Superintendent

W. H. JEEVES
Assistant Treasurer

B. W. LANG
Assistant Comptroller

R. P. D. GRAHAM
Manager, Export Department

1933 Tax Collections Off 35 of 43 Municipalities

Six Municipalities Collected More of 1933 Levy Within Year Than in 1932; Kingston's Record Best; Montreal's Arrears Highest

In 43 larger Canadian municipalities for which preliminary 1933 tax collections are available, 35 collected less of the year's levy within the period than in 1932, six collected a larger proportion, and in two comparison was not possible because the 1932 figure was not available. This is what analysis of a tax collection report of the Citizens' Research Institute reveals.

Judging from the list of current tax collections, municipalities from coast to coast found collection of current taxes more difficult in 1933, than in 1932. The six listed municipalities in which higher percentages of taxes were collected are: Timmins, Port Arthur, Niagara Falls, Scarborough, Oshawa and Sandwich, all in Ontario. But in the cases of Scarborough and Sandwich the improvement is deceiving because it is believed to be largely due to reduced assessments. And Niagara Falls recently defaulted so that its record is not as good as might be taken from the foregoing.

Kingston on Top

Kingston heads the list with collections of 90.35 per cent of its 1933 levy within the year. A few other municipalities are expected to better this record when additional returns are available. It should be noted that the figures are preliminary and subject to audit. Nevertheless they are believed to furnish a good approximation of final returns.

Montreal, with $22,174,805, had the largest amount of uncollected taxes on its books at the close of 1933. Toronto was second in this respect with $11,955,930, and Vancouver was third with $6,774,290.

Some western cities were well down in the list. These include Moose Jaw, Saskatoon, Regina and Brandon. It is noteworthy also that the seven defaulting municipalities in the list had some of the poorest tax collection records.

The list follows:

	Per Cent of Current Levy Collected to Dec. 31		Total Tax Arrears Outstanding at Dec. 31	
	1933	1932	1933 $	1932 $
Municipality:	%	%	000's	000's
Kingston	90.35	93.0	132	70
Woodstock	90.16	91.4	55	42
Shaw'n Falls	88.60	*	89	122
Owen Sound	85.67	87.2	112	83
St. Hyacinthe	84.85	78.3	90	94
Kitchener	84.51	90.3	352	237
Peterborough	83.36	88.0	226	161
Port Arthur	82.91	82.6	535	461
Ottawa	81.28	88.7	1,312	990
Galt	80.52	84.0	210	175
London	80.46	82.6	1,043	822
Stratford	78.43	*	335	286
Walkerville	77.82	78.4	351	270
Toronto	77.09	80.0	11,956	10,123
North Bay	77.00	83.7	252	158
St. Thomas	76.80	79.8	344	283
Hamilton	76.73	81.9	2,768	1,922
St. Catharines	76.44	81.7	514	364
Belleville	75.65	77.9	243	213
S. Ste. Marie	73.62	77.0	417	318
Edmonton	73.54	76.7	2,162	1,754
Moncton	73.47	75.2	231	229
Welland	72.17	76.9	225	176
Vancouver	71.99	75.0	6,774	4,967
Guelph	69.90	70.9	541	450
Timmins	69.63	69.5	214	178
Chatham	69.45	71.0	287	241
Oshawa	69.40	69.0	624	588
Outremont	68.93	74.1	487	422
†Niagara Falls	66.37	63.8	645	540
Montreal	64.77	66.4	22,175	19,343
Brandon	63.09	64.7	426	380
Sherbrooke	60.04	60.6	428	412
†E. Windsor	59.39	62.0	802	725
Regina	59.26	64.1	1,366	922
†Sandwich	57.54	56.8	558	573
Saskatoon	56.40	61.5	1,398	838
†East York Tp.	54.25	58.6	1,041	814
†Etobicoke Tp.	53.99	58.1	698	534
†Scarb'gh Tp.	52.22	46.8	919	853
†Burnaby, B.C.	50.77	57.1	618	445
Joliette, Que.	49.39	78.9	99	95
Moose Jaw	48.03	51.6	1,042	802

* Not available.
† In default.

Lords Uphold Gold Clause; But Parliament Can Negate

Special Legislative Restrictions on Gold in Canada May Mean Clause Ineffective Here — Lords Base Ruling on Interpretation of Meaning

Complete reports of the decision of the Lord of Appeal in Ordinary of the British House of Lords upholding the gold clause, indicate that the ruling is based on interpretation of what the clause was intended to mean. Lord Russell, of Killowen, delivered the decision, which was agreed to by the other Lords of Appeal. His conclusion was that the clause was inserted for a purpose, and that its meaning was that the payee should receive the equivalent of what gold was worth in sterling at the time of payment. In brief, the Lords reasoning leads them to believe the clause has the meaning that investors placed upon it.

Damages are assessed against the debtor on the basis of the value of gold per ounce on the payment date, and of the gold content of the pound sterling as fixed in 1870. The decision was made in re Feist vs. Société Intercommunale Belge d'Electricité on appeal by Feist from an original decision by Mr. Justice Farwell and from a decision in the Court of Appeal by Lord Justice Lawrence. Feist lost his case in the lower court and in the Appeal Court, but won out in the House of Lords. The Belgian company is understood to be paying its obligation in the sterling equivalent of gold in accordance with the decision.

Parliament Can Alter

Parliament can overcome the House of Lords' decision by changing the law, it is pointed out by S. N. Ferris Luboshez, of the Inner Temple, London, in The Annalist, New York. Thus, there may be further discussion or action on the gold clause even in Great Britain. However, until Parliament does something, the decision is final and binding for the future.

Significance in Canada

The significance of the decision in Canada is that Canadian debtors to United Kingdom creditors will be liable for damages under certain gold clauses unless they make payment in gold or the money equivalent. There is also the influence on Canadian courts. A decision by the House of Lords is binding on Canadian courts. But special legislative restrictions as to the use of gold in Canada might lead our courts to view the gold clause as ineffective, although they would perhaps agree with the House of Lords on the interpretation of the wording of the clause. This is pointed out by H. A. W. Plaxton, Toronto barrister, who sketched the legal status of the gold clause in The Financial Post of Aug. 5, 1933; and it is in line with Parliament's power to alter British statutes so as to negate the House of Lords decision. It is also in line with the effect of American legislative restrictions on gold.

Canadian debtors to American payees are not necessarily affected by the decision of the British Lords. On payments due in the United States, the law of the place of payment would hold, as Mr. Plaxton stated. There has been no recent decision by the Supreme Court of the United States on the gold clause. Lower courts have held that it does not apply in view of Mr. Roosevelt's legislative restriction of the public use of gold.

Decision delivered by Lord Russell reads, in part, as follows:

Meaning of Clauses

"I think that in clauses 1 and 2 of the bond, the parties are referring to gold coin of the United Kingdom of a specific standard of weight and fineness not as being the mode in which the company's indebtedness is to be discharged, but as being the means by which the amount of that indebtedness is to be measured and ascertained. I would construe clause 1 not as meaning that £100 is to be paid in a certain way, but as meaning that the obligation is to pay a sum which would represent the equivalent of £100 if paid in a particular way: in other words, I would construe the clause as though it ran thus (omitting immaterial words):

"'pay . . . in sterling a sum equal to the value of £100 if paid in gold coin of the United Kingdom of or equal to the standard of weight and fineness existing on the first day of September, 1928.'

"I would similarly construe clause 2.

"I am conscious, my Lords, that this construction strains the words of the document, and that it fits awkwardly with some of its provisions. Thus, for instance, the half-yearly payments in accordance with the coupons (which are described in clause 2 as equal) may, in fact, not be equal. But I prefer this to the only other alternatives, viz., attributing no meaning at all to the gold clause, or attributing to it a meaning which from other parts of the document and the surrounding circumstances the parties cannot have intended it to bear.

Hague Court

"We were, in the course of the argument, referred to certain decisions and judgments in cases which came before the Permanent Court of International Justice sitting at The Hague.

"I do not, I need hardly say, treat these as in any way binding upon me. Indeed, the relevant facts and words under consideration were very different from those which have been under consideration here. I would like, however, to cite one passage as stating happily and succinctly the considerations and principles which have influenced me in arriving at the conclusion which I have reached.

"It occurs in the judgment dealing with certain Serbian loans stated to be payable both as to principal and interest in gold. It runs thus:

"'As it is fundamental that the terms of a contract qualifying the promise are not to be rejected as superfluous, and as the definitive word "gold" cannot be ignored, the question is: what must be deemed to be the significance of that expression? It is conceded that it was the intention of the parties to guard against the fluctuations of the Serbian dinar, and that, in order to procure the loans, it was necessary to contract for repayment in foreign money. But, in so contracting, the parties were not content to use simply the word "franc," or to contract for payment in French francs, but stipulated for "gold francs." It is quite unreasonable to suppose that they were intent on providing for the giving in payment of mere gold specie, or gold coins, without reference to a standard of value. The treatment of the gold clause as indicating a mere modality of payment, without reference to a gold standard of value, would be not to construe it but to destroy it.'"

United Corp. Distribute Full Interest on Bonds

From Our Own Correspondent

MONTREAL. — United Corporation have forwarded cheques to bondholders covering the initial payment of 2½ per cent interest on the 5 per cent cumulative income bonds. This is the first payment of interest made on this issue since bondholders received it in exchange for the old bonds of the predecessor company, although a cash payment of 1 per cent was made at the time of the exchange and 1½ per cent was paid on August 15, 1933.

United Corp. represents a reorganization of the old Consolidated Investment Corp., which defaulted on its bonds owing to inability to maintain the collateral security as provided for in the trust deed. A reorganization was carried out, resulting in the writing down of investments to a level more closely approximating their liquidating value.

It is expected that the financial statement for 1933, which will make its appearance shortly, will show an improvement in earning power as well as in the market value of the securities held in the company's portfolio.

Montreal Stock Exchange Contract New Wire Service

From Our Own Correspondent

MONTREAL.—Montreal Stock Exchange has entered into an agreement with the Canadian Pacific Telegraph Co. for dissemination of their quotations throughout Canada. The Montreal Curb Market will be party to the same agreement.

The news service will carry sales and quotations of the two exchanges on a high-speed ticker, and traders in Vancouver and Halifax will receive the Montreal markets simultaneously with the board rooms of Montreal brokerage offices.

It is the intention of the Canadian Pacific Telegraph Co. to replace the service in Montreal at present being given by the Montreal Quotation Co., with the same combined tickers as will service the outside points.

SARNIA BRIDGE OPERATING LOSS $28,494 IN 1933

May Mortgage Property to Strengthen Working Capital

From Our Own Correspondent

MONTREAL. — Sarnia Bridge Co. reports an operating loss of $28,494 during 1933. This compares with a deficit of $56,033 in 1932. As a result of the losses experienced in the last four years, the balance of the profit and loss account has been wiped out and a deficit of $79,614 set up.

The small amount of business available to Sarnia Bridge in the past two years and the limitation of earnings, have naturally affected the working capital position of the company. To the end of effecting some improvement in this item, the company proposes to mortgage its property. A decision to this effect will be decided upon at the annual meeting of the shareholders.

Limited Working Capital

At the end of last year Sarnia Bridge had assets totalling $596,272 compared with $584,575 at the end of 1932. The excess of current assets over current liabilities now amounts to approximately $36,000, whereas at the end of 1932 the net working capital position was $65,430.

Bank loans, advanced by the Bank of Toronto, have increased from $5,298 to $17,200. There is little change in accounts payable and accrued items. The reserve for depreciation of buildings and equipment remains unchanged. No provision has been made for depreciation since 1929. The issued capital stock is the same as in 1932, namely, 12,000 Class A shares and 15,000 Class B shares.

Among the assets, land, buildings, machinery and equipment are carried on the books at $459,026, or practically the same as a year ago.

Current assets aggregate $57,350, with inventories amounting to $43,844 and accounts receivable $13,039.

Canadian Western Lumber
Statement of Lumber Manufactured, Sales and Price Realized

December:	1932 Feet	1933 Feet	Increase Feet
Lumber Manftd.	9,461,348	7,429,400	*2,031,948
Sold	11,755,718	9,884,450	*1,871,268
Price Realized	$121,870	$144,869	$22,999
Aggre. Manftd.†	100,322,961	110,165,837	9,842,876
Aggre. Sold†	97,578,686	113,627,501	16,048,815
Price Realized†	$1,158,877	$1,498,284	$339,407

* Decrease.
† For 12 months.

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Dairy Corporation of Canada Limited

SIX PER CENT FIFTEEN YEAR SINKING FUND GOLD DEBENTURES, SERIES "A" AND SERIES "B"

Notice of Meeting of Debentureholders

NOTICE IS HEREBY GIVEN, pursuant to a request from Dairy Corporation of Canada, Limited, (hereinafter called the "Company") that a Meeting of the holders of the Six Per Cent Fifteen Year Sinking Fund Gold Debentures, Series "A" and Series "B" of the Company (hereinafter collectively called the "Existing Debentures") issued under and secured by a Trust Deed dated as of 1st July, 1930, and Supplemental Trust Deeds, dated 1st January, 1931, and 10th February, 1933, (hereinafter collectively called the "Trust Deeds"), each made between the Company, of the First Part, and The London and Western Trusts Company, Limited, (therein and hereinafter called the "Trustee"), of the Second Part, will be held in the Yellow Room in the King Edward Hotel, in the City of Toronto, on the 27th day of March, 1934, at the hour of 11 o'clock in the forenoon, for the purpose of considering and, if thought fit, passing as Extraordinary Resolutions, pursuant to the provisions of the Trust Deeds one or more Resolutions for the following purposes, namely:—

A. Sanctioning either as proposed or as modified at the Meeting a Scheme for Reorganization of the said Company, which will be laid before the Meeting, copies of which may be obtained as below mentioned, and to which Scheme holders of Existing Debentures are referred for a full description of the modifications and alterations in their rights against the Company and its property, the general nature of the Scheme for Reorganization being briefly summarized as follows:—

(a) The outstanding Debentures and all interest coupons maturing on and after 1st January, 1933, and Stock Purchase Warrants attached to such Debentures will be surrendered and cancelled, the Company discharged from all obligations in respect thereof, and the Trust Deeds securing the same released and discharged.

(b) The Company will authorize and create an issue of Debentures (hereinafter called the "New Debentures") to an aggregate principal amount not exceeding $1,200,000 to be issued under and secured by a Trust Deed in favour of The London and Western Trusts Company, Limited, Trustee, creating a first floating charge (subject to Bank loans and other secured charges in the ordinary course of business) on all the undertaking and assets, both present and future, of the Company. The New Debentures will bear date 1st January, 1934, will mature 1st January, 1954, and will carry interest at the rate of six per centum per annum payable half-yearly on the 1st days of January and July in each year except that in respect of the New Debentures to a principal amount of $636,000 to be issued as hereinafter mentioned to the holders of the Existing Debentures, interest thereon will accrue only from 1st January, 1936, and said New Debentures will be issued with the first four half-yearly interest coupons detached. All payments for principal, interest, premium and otherwise in respect of the New Debentures will be payable only in lawful money of Canada at the principal Office of the Bank of Montreal in the Cities of Toronto, Montreal, Halifax, St. John, Winnipeg, Regina, Edmonton and Vancouver, at holder's option. The New Debentures will be redeemable in whole or in part by purchase or call at the prices and on the terms mentioned in the Scheme for Reorganization. The Trust Deed securing the New Debentures will also provide for a sinking fund payable by the Company to the Trustee on the times and in the amounts and to be applied in the manner more fully set forth in the Scheme for Reorganization. The said total issue of New Debentures will be disposed of as set out in the Scheme for Reorganization.

(c) The Capital of the Company will be reconstructed substantially in accordance with the Scheme of Arrangement endorsed on and forming part of the Scheme for Reorganization of the Company.

(d) Holders of the Existing Debentures will receive in exchange for the same together with (except in the case of fully registered Debentures) all coupons maturing on and after 1st January, 1933, and Stock Purchase Warrants attached:—

(1) New Debentures issued under and secured by the new Trust Deed on the basis of $80.00 in principal amount of New Debentures for each $100.00 of Existing Debentures held.

(2) Four new Class "B" Common shares in the Capital Stock of the Company reconstructed in accordance with the Scheme of Arrangement endorsed on and forming part of the Scheme for Reorganization of the Company, for each $100.00 principal amount of Existing Debentures held.

(e) The Company will pay all Costs, charges and expenses in connection with the formulation and carrying out of the Scheme for Reorganization and all Costs, charges, expenses and remuneration of the Trustee and of the Committee for Debentureholders.

B. Sanctioning the modification, abrogation, alteration, compromise or arrangement of the rights of the holders of Existing Debentures against the Company and/or against its property and releasing the Company and the whole of the mortgaged premises from the principal and interest owing upon the Existing Debentures as authorized by, contemplated by or involved in or necessary or desirable to carry out the said Scheme for Reorganization.

C. Sanctioning the exchange of the Existing Debentures for and agreeing to accept in lieu of the Existing Debentures, New Debentures and new Class "B" Common Shares in the reconstructed Capital of the Company, which the Scheme for Reorganization contemplates and provides shall be accepted by the holders of the Existing Debentures in lieu of such last mentioned Debentures and requiring Debentureholders to deliver their Debentures with (except in the case of fully registered Debentures) all coupons maturing on and after 1st January, 1933, and Stock Purchase Warrants attached, to the Trustee, as contemplated or provided in the said Scheme for Reorganization.

D. Authorizing and directing the Trustee, subject to the said Scheme for Reorganization becoming operative, to execute the necessary documents to discharge the Trust Deed securing the Existing Debentures and to make the said Scheme effective and to concur in and execute any and all deeds, agreements and other documents which may be necessary or desirable for giving effect to and carrying out the said Scheme for Reorganization.

E. Appointing a Committee with power and authority:—

(a) To settle and approve the form, terms, provisions and conditions of the New Debentures and of the Trust Deed securing the same and of all other deeds, documents, Share Certificates, fractional Share Certificates and proceedings which may be contemplated by or involved in or necessary or desirable to carry out the Scheme for Reorganization, including the Scheme of Arrangement between the Company and its Shareholders, in all cases with such modifications and/or variations of and from the provisions contained in the Scheme for Reorganization, including the Scheme of Arrangement between the Company and its Shareholders, and of any act, matter or thing involved in or contemplated thereby as such Committee may deem expedient in the interests of the holders of Existing Debentures.

(b) To exercise such further and other powers, if any, as may be vested in such Committee by any Extraordinary Resolution passed at the Meeting.

F. Adjourning the Meeting from time to time for such further consideration and action on any of the matters above mentioned or any other matter which may come before the Meeting or any adjournment thereof.

G. Taking such further or other action in relation to the premises as may be considered advisable at the Meeting.

This Notice is given pursuant to the provisions of the Trust Deeds to the intent that any Resolution passed at the said Meeting or any adjournment thereof shall, if passed in the manner provided for passing an Extraordinary Resolution of Debentureholders, be binding upon all Debentureholders whether present or not at the Meeting or any adjournment thereof.

Pursuant to the Trust Deeds and Regulations made by the Trustee thereunder, Debentureholders other than registered Debentureholders, desiring to attend the Meeting without producing their Debentures may deposit the same with any Bank, Trust Company or other financial institution approved, either before or after such deposit, by the Trustee, and will receive in exchange Certificates which will entitle the holder named therein to be present and vote at such Meeting or any adjournment thereof, and to appoint a proxy to represent and vote for the holder in the same way as if the person so present and voting either personally or by proxy were the actual bearer of the Debentures in respect of which such Certificate shall have been issued and produced the same at such Meeting or adjournment. Debentures so deposited will be held on deposit until after the said Meeting and any adjournment thereof and will then be returned to the depositor.

If unable to attend, the holder of a Certificate and Proxy may deposit the same with either of the following offices of The London and Western Trusts Company, Limited, viz.:—

347 Bay Street, Toronto.

Richmond Street, London, Ontario.

and such Proxy will be voted at the Meeting and at any adjournment thereof in favour of the Scheme for Reorganization (subject to such amendments, alterations or modifications thereof as may be made at such Meeting) and in favour of Resolutions for the purposes mentioned in the Notice unless the depositor thereof shall give written instructions to the contrary.

Holders of registered Debentures may attend in person and vote or may by instrument in writing appoint any person as proxy to vote at such Meeting and any adjournment thereof.

A proxy need not be a Debentureholder.

Prints of the Scheme for Reorganization and forms for listing Debentures for deposit for voting purposes, Proxy forms and other information may be obtained by Debentureholders on application to either of the offices of The London and Western Trusts Company, Limited, above listed or to the Bank of Montreal, at its King and Yonge Streets Branch, Toronto, or at its Branch in Napanee, Ontario.

Dated at Toronto this 15th day of February, 1934.

THE LONDON AND WESTERN TRUSTS COMPANY, LIMITED,
Trustee.

Creosoted Ties for China

An important development in British Columbia lumber trade with China is the placing of a large order with Timber Preserves, Limited, New Westminster, for the supply of creosoted ties for the China Railway Board, Nanking. This order consists of 1,100,000 feet to be shipped to Shanghai in March and 3,300,000 feet for fall delivery at Hangkow, and is the first order for creosoted ties ever placed in British Columbia for the China market.

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PROVINCIAL PAPER EARNINGS GO DOWN LIQUIDS STAY HIGH

Understood Improvement Shown in Last Half of 1933 Encouraging

Financial statement for Provincial Paper for 1933 shows as usual a very strong working capital position but earnings are down from the previous year's total of $614,678 to $580,864 before depreciation. Earnings are sufficient to pay bond interest two and a half times before depreciation, two times after depreciation of $100,000 taken from earnings and with a margin of about $25,000 after considering full depreciation of $325,000 taken both from earnings and from general reserve.

In 1928 the company wrote off $450,000 from earnings to depreciation and $250,000 each year in the next three years. In 1932 the depreciation annual write-off from earnings was down to $100,000 and that was the case again for 1933. It might be said therefore that the transfer of $225,000 to depreciation in 1933 really supplied deficiencies of two years. The general reserve had been shown at $1,511,301 at the end of 1932 and therefore it was quite available for adding to depreciation reserve. Thus depreciation moved from $1,600,000 to $1,925,000 while general reserve dropped from $1,511,301 to $1,259,286.

Not deducting the depreciation of $225,000 taken from general reserve, the earnings statement shows the seven per cent dividend on $3,500,000 preferred stock covered with a small margin. Even on this basis earnings on 100,000 shares of no par value common stock owned by Abitibi Power & Paper Co. would be 5.16 cents a share. This stock paid dividends of $1.25 a share in 1930 and $1 a share in 1932 though in the latter year earnings were only 30 cents. It was paid early in 1932 and was really applied against the 80 cents a share earned in 1931.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1933 $	1932 $
Net earnings	553,849	590,426
Add: Other inc.	27,015	24,252
Total net earn.	580,864	614,678
Less: Deprec.	100,000	100,000
Bond interest	213,098	213,098
U. S. exchange	17,603	26,216
Net profits	250,163	275,364
Less: Pref. divd.	245,000	245,000
Com. divd.	......	100,000
Surplus for year	5,168	†69,636
Add: Prev. surp.	682,934	752,570
Bal. forward	688,097	682,934

†Deficit.

It is understood that the earnings situation is really more encouraging than these figures apparently justify. At the end of the first half of 1933 it is understood that the company earnings were down about $110,000 as compared with the same period of 1932; if that is so, it was able in the second half to bring total earnings within $34,000 of the total for 1932, and business must therefore have been better than for the last half of 1932.

The company's principal strength during the depression years has been in its highly liquid assets. Working capital is higher though the ratio is down a little.

Working Capital

	1933 $	1932 $
Current assets	2,461,698	2,344,530
Current liabilities	321,146	272,099
Working capital	2,140,552	2,072,431
Ratio	7.66—1	8.62—1

Cash and Bonds Gain

The increase in current assets is made up of changes in the following items: cash up from $386,364 to $397,030; Dominion and provincial bonds up from $499,625 to $598,560; accounts and bills receivable up from $673,919 to $695,675; and inventories down from $784,622 to $770,433. This shows a remarkably steady position.

The increase in current liabilities is solely due to the increase in accounts payable and accrued charges from $175,333 to $224,380.

Funded debt, unchanged at $3,874,500, is thus covered by $2,140,552 of net current assets and to the extent of $1,733,948 by real estate, buildings and equipment shown at $7,201,700, after deducting more than 20 per cent in depreciation.

This leaves $5,467,752 in fixed assets to apply against $3,500,000 of 7 per cent cumulative preferred stock, leaving $1,967,752 to cover 100,000 no par value common shares, or $19.68 a share of tangible assets shown by the balance sheet. This common stock was obtained by Abitibi Power & Paper Co. in January, 1930, by an exchange of common stock on a share for share basis.

Beauharnois Statement Will Show Deficit for 1933

From Our Own Correspondent

MONTREAL—Beauharnois Power Corporation's financial statement for 1933 is expected to show a net deficit of approximately $1,000,000 after providing for all operating and other charges.

Considerable interest attaches to the forthcoming statement, inasmuch as it will be the first issued by the company since control passed to Montreal Light, Heat & Power Consolid. Following upon the reorganization, sponsored by Montreal Power, the company's finances have been strengthened and the necessary capital provided or underwritten for the completion of the development.

The big plant on the St. Lawrence River was brought into operation in the fall of 1932, when deliveries were made under contract to Ontario Hydro, Montreal Power and Montreal Cottons. In the six months period from October 1, 1932, to March 31, 1933, the company showed a gross revenue from sale of power totalling $450,655 and an operating profit of $290,743. This latter amount was appropriated on account of interest for the period.

From the beginning of 1933 up till October 1, Beauharnois was delivering 68,000 h.p. After October, deliveries were stepped up to 133,000 h.p. of which Ontario Hydro is taking 75,000, Montreal Power 50,000 and Montreal Cottons 8,000. Consequently it is expected that gross revenues will be substantially larger for 1933. At the same time there will be larger operating expenses and interest charges to take care of.

CANADA BUD BREW SHARES EARN 50c CASH IS LOWER

Can Make Progress if Conditions Improve, President Says

Canada Bud Breweries Ltd. earned 50 cents per share on the 150,000 shares outstanding during 1933 as compared with $1.06 per share in 1932. Net trading profit was down to $113,479 from $200,014. The annual statement does not include operations of the company's subsidiary, City Club Breweries Ltd.

In an accompanying letter signed by Duncan McLaren, president of the company, it is stated that beer sales of the company, taking into consideration the reduced volume of beer sold in the province and the shrinkage in business from the border cities through legalization of beer in the United States, indicate to the directors that the company can show satisfactory increase in sales with the return of better times whether or not there is any change in legislation.

Income and Surplus Account
Years Ended December 31

	1933 $	1932 $
Net oper. earnings	113,479	200,014
Add: Misc. revenue	1,912	4,365
Total earnings	115,391	204,379
Less: Depreciation	25,000	25,000
Int., exch., bad debts, etc.	9,382	6,514
Res. for income tax	5,300	14,500
Net profit	75,709	158,365
Less appropriations: Dividends	67,500	150,000
Surplus for year	8,209	8,365
Add: Previous surplus	145,796	140,199
Less: Sundry adj.	200	2,768
Tax adjust.	14,105	......
Balance carried for'd.	139,700	145,796

While working capital is lower the ratio of current assets to current liabilities is up to 1.90 to 1 from 1.79 to 1. Cash is down to $15,054 from $38,326; accounts receivable to $52,525 from $71,849 while inventories are down to $204,664 from $209,929. In current liabilities, bank cheques outstanding are down to $3,545 from $4,549 but bank bills payable are up to $44,000 from $38,000 and accounts payable are $84,801 as against $85,167 in 1932. Reserve for Dominion income tax is $10,504 and mortgage and interest payable are $8,351.

Working Capital

	1933 $	1932 $
Current assets	272,244	321,554
Current liabilities	142,850	179,716
Working capital	129,394	141,838
Ratio	1.90—1	1.79—1

Fixed assets are carried at $1,085,167, increase of $4,600 over 1932 while depreciation reserve is up to $202,821 from $181,505. Licenses remain at $150,000. Investment in shares of City Club Ltd. is up to $122,503 from $97,530 while stocks and bonds are carried at $1,250.

Dominion and Provinces Urged to Pare Drastically

C. H. Carlisle, president of Goodyear Tire & Rubber Co., told shareholders at the annual meeting that present high rates of taxation form "a formidable barrier to our export trade." With taxes amounting to 11.37 per cent on company's factory costs and 8 per cent on sales, the development of export business "becomes exceedingly difficult and circumscribed."

After tracing back the heaviest part of these taxes to political railroads built far beyond Canada's present needs, he stated that the charges day by day from this one item alone reflect heavily against all enterprise in the Dominion. Because of this load of $1,000,000 a week, he thought:

"People of all sections and classes should resolve that Canadian railways must get, without undue delay, on a self-supporting basis even if to do so means a service curtailed within our means, or consolidation."

Wants Federal Control

Further suggestions that Mr. Carlisle felt were revolutionary but necessary were:

1. To tackle the expensive, confusing, inefficient and burdensome elements in the federal system created in response to political necessity by cutting to one-half or one-third present number of the members of House of Commons, Senate and Provincial Legislatures;

2. To get legislative control of nation-wide business made federal instead of provincial;

3. To improve companies acts and to place administration supervision in a single authority which would have to be the Federal Parliament and Government;

4. To end indiscriminate chartering of companies to go into lines of effort where result could only be over-production, price-cutting, demoralization, deterioration in quality, wage reduction, losses of dividends and capital and the wiping away of the source of Government taxation;

Punish Unfair Practices

5. To have such supervision of business as will detect unfair practices, define them, isolate them, make them illegal and punish them;

6. To change present Combines Investigation Act as failing to safeguard either industry or the public and to require every industry to organize within itself and to establish sound principles under Government supervision and knowledge.

LANGLEY'S LOSS REDUCED IN 1933

Working Capital Position Strengthened — Redeems Some Preferred

Langley's Ltd. had profit on 1933 operations of $31,566 as compared with $23,145 in 1932 while miscellaneous income dropped to $4,139 from $5,093. After deducting $44,656 for depreciation and $980 for interest and exchange the company had a net loss of $9,930 for 1933 as compared with a loss of $40,169 in 1932 when the company paid out $21,000 in preferred dividends.

The company had a loss in the first six months of operation during 1933 and experienced better business in the latter half of the year. Current business is reported to be better than a year ago.

Consolidated Income and Surplus Account, Years Ended December 31

	1933 $	1932 $
Net oper. profit	31,566	23,145
Add: Misc. inc.	4,139	5,093
Net earnings	35,705	28,238
Less: Int. & exch.	980	1,695
Deprec.	44,656	45,712
Net loss	9,930	19,169
Add: Divds.	....	21,000
Deficit for year	9,930	40,169
Add: Previous surplus	95,319	136,244
Less: Adjustments	706	756
Balance forward	84,683	95,319

Working capital position has improved with current assets at $150,146 and current liabilities at $19,289, giving a ratio of 7.85 to 1 as compared with 4.17 to 1 in 1932. Current assets consist of $28,594 in cash; $52,196 in Government bonds; $31,365 in accounts receivable and $37,991 in inventories.

During 1933, 203 shares of 7 per cent preferred stock was retired leaving 5,697 shares outstanding. Fixed assets show slight increase at $1,305,761 against which there is a depreciation reserve of $807,367. Surplus forward is $84,682 while capital surplus is up to $302,137 from $288,468 due to redemption of preferred shares.

CAN. CELANESE PROFITS IN 1933 REGISTER GAIN

Share Earnings Up from 35 Cents in 1932 to $2.51 in 1933

From Our Own Correspondent

MONTREAL. — Canadian Celanese Corp. reports share profits of $2.51 on the common stock in 1933, compared with 35 cents a share in 1932.

Interim statements issued by the company from time to time over the past month have led to the expectation that the financial statement for the past year would be one of the best ever produced by the company. Plant operations were maintained at capacity practically the whole of the year. Demand for the company's products was exceptionally good and the volume of inventories at the end of the year, as indicated by the balance sheet, was less than at the close of the previous year.

Operating Profits Jump

Operating profits last year amounted to $1,857,666. This compares with $1,301,190 in the previous year. The amount available for dividends was $1,260,864, a gain of more than $500,000 over 1932.

Particulars of the income account follow:

	1933	1932
Operating profit	$1,857,666	$1,301,190
Depreciation	274,214	265,979
Taxes, etc.	322,587	216,052
Conting. res.	......	100,277
Net profit	1,260,864	718,881
Pfd. dividend	855,000	720,000
Amort. res.	500,000	......
Balance	*94,136	$1,119
Brought forward	†1,723,449	†1,730,478
Carried forward	1,628,175	1,723,449

*Deficit.
†Adjusted.

Liquid Position Improves

At the end of last year the balance sheet of Canadian Celanese showed assets of $13,919,379 compared with $13,059,779 at the end of 1932. No change has taken place in the issued capital stock or special reserves. Depreciation reserve now stands at $1,100,117, while accounts payable are up from $249,446 to $455,062.

Examination of the assets shows an increase in property account from $9,728,321 to $10,189,722. Cash on hand is nearly half a million higher at $716,431, while bonds and other investments held by the company have advanced to $1,416,426 from $1,271,120.

B. C. TELEPHONE BUSINESS IN 1933 WELL MAINTAINED

Operating Revenue Was Down But Economies Made Up for This

From Our Own Correspondent

VANCOUVER.—British Columbia Telephone Company, according to Gordon Farrell, president, experienced a considerably smaller decline in business in 1933 than in 1932 and was able to meet reduction in operating revenues of $270,077 by economies in operation except for an amount of $40,000 transferred from contingent reserve and $20,802 charged as surplus. Dividends were maintained on the same basis as in 1932.

The report shows operating revenue at $4,479,079 compared with $4,749,156 in 1932. Non-operating revenue was slightly higher at $177,907 compared with $163,356. Costs, including taxes and depreciation, were $3,466,039 compared with $3,670,039 in 1932, indicating that interest charges of $588,068 were earned more than twice.

After allowing $60,000 for preference dividends at 6 per cent and $270,000 for preferred dividends at the same rate, there was a balance sufficient to cover the common dividend at 7 per cent except for the smaller amount of $20,802 drawn from surplus.

Associated Telephone Pays $106,347

The amount shown in the balance sheet as an account receivable from the controlling company, Associated Telephone & Telegraph Co., was reduced during the year by $106,347 bringing the amount down to $425,389. The total of $1,974,906 in 5½ per cent five-year notes appears among the assets at the same amount as at the end of 1932. These notes are due August 1, 1937. These two items, together with material in stores at $810,751, accounts receivable at $342,051 and cash in bank at $744,332 total over $4,295,000.

Other assets include $24,855,822 for real estate, buildings, plant and equipment.

Liabilities include the $10,000,000 bond issue due Dec. 1, 1960, employees savings plan $111,131, accounts payable $184,587, unearned rentals $19,311, accrued liabilities not due $447,366, employees benefit fund $590,720, reserve for depreciation $7,417,207, reserve for fire loss, accidents and contingencies, $948,458. Surplus is shown at $431,981 compared with $452,783 at the end of 1932.

Preliminary Information

Morning Star (Fairview) Gold Mines Limited

(Incorporated under Laws Province of British Columbia)

(NO PERSONAL LIABILITY)

CAPITALIZATION

Authorized	Outstanding
Capital 3,000,000 Shares (N.P.V.)	Issued Capital 2,000,000 Shares

PROPERTIES—Situated near Oliver, B.C.—a consolidation of contiguous groups totalling approximately 500 acres.

DEVELOPMENTS—Development on the Morning Star Claim has been carried down to the 375-foot level. An ore length of 372 feet has so far been opened up, with ore still in the face. Underground developments comprise, in total, 2,300 feet with all faces in ore. Widths run from 15 to 40 feet and grade is expected to exceed $15 per ton in gold and one ounce silver per ton.

PRODUCTION—Shipment of development ore to the Trail Smelter of Consolidated Smelters over the past three months has had a gold content averaging $18.86 (based on $34 gold) and 1.385 ounces silver per ton.

PLAN OF OPERATIONS—The Company plans to aggressively extend the workings and open up tonnage. It is planned to construct a mill for handling of ores on the Company's property and so save shipment charges.

ENGINEERING—The Company has, we are informed, capable direction, and has arranged to employ an eminent engineering counsel in a consulting capacity.

GENERAL OUTLOOK—With 6,500 feet of length along the structural formation, and with the values and substantial widths indicated, a successful mining operation seems assured. On a 300-ton basis the property should show net earnings of 25 cents per share.

DIRECTORS: *President*—Dr. G. F. Strong, Vancouver, B.C. *Managing Director*—R. L. Clothier, M.E., Oliver, B.C.; G. E. Housser, Barrister, Vancouver, B.C.; A. R. Smith, Contractor, Vernon, B.C.; Eugene Coste, E.M., Toronto, Ont.: T. St. E. de Wolf, C.A., Vancouver, B.C.

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BROCKVILLE TRUST ASSETS STRONGER

Earned 7.54 p.c. on $500,000 Capital; Paid $2.50 in 1933

Brockville Trust & Savings Co., Brockville, Ont., had net profit of $40,482 in 1933 and, after deducting provision for Dominion income tax, earned 7.54 per cent on paid up capital of $500,000. This compares with 8.52 per cent in 1932. Dividends of $2.50 for the year on the $50 par value shares were covered by a good margin. Reserve fund was reduced to $200,000 from $235,000. A contingency reserve of $15,000 is shown for the first time and of this amount $9,110 was transferred from profit and loss account. Investment reserves are up to $38,249 from $36,825.

Estates under administration continue to increase and at $404,729 compare with $339,413 in 1932 and only $1,252 in 1929. Deposits are down to $501,979 from $524,266 while guaranteed investment receipts outstanding are up to $200,600 from $192,900.

Assets of the company indicate improvement in liquid position. In guaranteed trust account first mortgage loans are down to $557,318 from $630,944 while interest due and accrued is slightly lower at $10,149. In this account there is held $63,503 of Dominion and provincial securities where none were held in 1932 and municipal securities are up to $70,253 from $65,338. Cash is down to $4,596 from $12,474.

In capital account, cash is up to $36,288 from $14,084. Dominion and provincial securities at $14,388 replace municipal securities of $24,655 shown in 1932. First mortgage loans are down to $575,790 from $599,336; interest due and accrued is down to $16,689 from $18,523 while agreements for sale at $37,492 and real estate held for sale at $74,566 show very slight reduction.

Earnings Record

Year	Paid-up Capital $	†Net Profits $	Div. Rate $	*Rate Earned per sh. $
1928	462,019	41,039	3.50	4.44
1929	500,000	44,096	3.50	4.41
1930	500,000	48,015	3.50	4.80
1931	500,000	44,778	3.50	4.48
1932	500,000	42,611	3.50	4.26
1933	500,000	37,734	2.50	3.77

† After deducting interest, expenses, charges and government and business taxes.
* On paid-up capital. Par $50.

Year	Guar. Account $	Estates Under Adminis. $	Total Reserve $
1929	677,735	1,252	225,000
1930	754,707	30,988	285,000
1931	790,679	98,601	235,000
1932	720,001	339,413	235,000
1933	705,818	404,728	200,000

I.B.A. PLANS CODE SECURITIES SALES

Would Slow Sales Tempo Instead of Rushing Investors

Investment Bankers' Association of America has proposed rules of fair practice for security dealers in the United States. The proposed code is to be submitted to regional sections of the association and to government authorities before adoption.

Most important provisions of the proposed code are as follows:

1. Investment bankers must have corporations whose securities they sell to the public disclose to investors periodically all information essential for accurate appraisal of the worth of securities.

2. Security dealings to be conducted to place the business on a high standard, eliminating high speed, high pressure and peddling methods.

3. Machinery for enforcement of the rules to be set up by the business, itself.

4. Tribunals to be established to which an investor might bring agreement for investigation by the I. B. A.

The prime purpose of the proposed code appears to be to bring about investigation and consideration of securities, according to the particular financial circumstances of the individual investor. To this end, an attempt is made in the code to slow down the tempo of distribution; for instance, by requiring advance notice of new issues, thus allowing careful consideration by the investor instead of "get-in-quick" methods.

J. D. CAMERON. E. T. POINTON, C.A. H. G. MERRITT

God's Lake Gold Mines Ltd.

Latest information on request

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FEW MEMBERS HEAR COMMONS TALK INSURANCE

Rhodes Bears Brunt of Motion to Nationalize Life Insurance

Special Correspondence

OTTAWA.—Only a sparse smattering of members greeted the full-dress debate in the House of Commons recently, when William Irvine, member for Westaskiwin, moved that "in the opinion of this house, the government should give immediate consideration to the advisability of nationalizing life insurance."

Mr. Irvine based his case on the belief that the business of life insurance in Canada could be done more efficiently and cheaply for the people through the agency of the government than by a private company. He pointed out that in Canada today but half of those who required insurance were insured and blamed this on the high cost of insurance under private enterprise.

High Acquisition Costs

Figures from large American companies were quoted to show the high salaries being paid to life insurance officials and also the high acquisition cost of doing business under the present system. He quoted figures for United States companies to show that the average income for each $1,000 of insurance in force was $43.35 and that the average mortuary cost per $1,000 was $4.91, indicating a considerable spread between the amount required to meet death claims, and that collected by the company. The high loss ratio was also commented upon. He outlined the basis upon which the Massachusetts State system operated and indicated how easy it would be for the Dominion to take over life insurance companies since the entire paid up capital of all companies amounted to only $10,000,000. Two features of the state scheme which would commend themselves would be (1) that would permit a wider distribution of risks and, therefore, be less costly and (2) that a national insurance scheme could and should be made compulsory. This latter scheme it was submitted would permit the business to be obtained for practically nothing. The third favorable factor, according to Mr. Irvine, is that it would enable the Dominion to exercise control over the tremendous investments now in the hands of the private companies.

F. W. Gershaw, (Medicine Hat), pointed to the safety of life insurance institutions at the present time and urged that it be used to work out a policy which would go a long way toward providing unemployment benefits and perhaps looking after the requirements of old age pensions. Mr. Gershaw urged that the present fabric of the government annuities branch be brought into play to "evolve a workable plan that would banish the spectre of poverty and want, and along these lines the government could very well nationalize insurance."

Rhodes Makes Reply

The burden of the reply fell upon the Hon. E. N. Rhodes, Minister of Finance. Mr. Rhodes pointed to the fine record of Canadian companies and also pointed out that at the end of December, 1928, the shares of Canadian insurance companies were selling at a market value of $94,000,000. The present value was quoted as $34,000,000, while a fair figure of valuation, thought Mr. Rhodes, would be roughly $50,000,000, if the governments were taking the companies over at the present time. At 4½ per cent this would require a revenue of $2,250,000 a year, which is more than twice the amount paid in dividends to shareholders of Canadian companies last year. This, he pointed out, would be an additional impost on policy holders.

He pointed to the weakness of any compulsory scheme which would undoubtedly raise the cost by including those of both good and poor health. He asked what would be done with the $2,900,000,000 of business in force in Canada by foreign companies for which compensation would have to be made if insurance were nationalized. He pointed out that in spite of cheapness, very few employees in the civil service took advantage of the life insurance facilities under the Civil Service Act, and that in New Zealand, where state life insurance and private enterprise operated side by side, the amount under the control of private companies was more than four times as large and was increasing at a ratio greater than that of state insurance.

He urged that the government was not equipped to handle this type of business, which is a highly specialized one and pointed to the experience of England which abandoned state insurance when it was found that the number of applicants was extremely small in spite of the low cost of administration and more favorable rates. The scheme was abandoned in 1928.

The resolution was defeated by a vote of 91 to 19.

Argentine Breeders Worried Over British Meat Quotas

Argentine beef has enjoyed an enviable position as regards its quality, while mutton and lamb have also advanced in favor. The full effect of the imposition of import quotas on meat by Great Britain, as a result of the Ottawa Conference, has not been felt as yet in Argentina, writes the Canadian Trade Commissioner, but is nevertheless the occasion of some concern, since Great Britain formerly absorbed approximately 84 per cent of the total exports of Argentina's cattle and sheep breeding products.

Of the 32,000,000 or more head of cattle in Argentina, it is estimated that fully two-thirds are now typically pure British breeds, in which the shorthorn predominates. The production of fat cattle, and the enormous quantity of choice beef exported from the country, has for many years been one of the most important factors in Argentina's export trade, and brought recompensating returns.

Sweezey Joins Board of Lasarre Power Co.

From Our Own Correspondent

MONTREAL.—R. O. Sweezey has been elected to the board of directors of the Lasarre Power Co., of Lasarre, P.Q.

In making the announcement of Mr. Sweezey's election, A. H. Paradis, president, further stated that the company has an extensive programme of extension under way to supply the Northern Quebec mining area. At present the company supplies the Abitibi region with power and light from Amos to Lasarre and from Lasarre to Normetal Mine.

New Books

Protection, Not Planning, Is Proper Job of State

Head of General Motors Export Unit Writes Fascinating Volume on Economics and the New Capitalism

James D. Mooney, president of General Motors Export Corp. has chosen the "psychological moment" to write a book. A world that cast aside its preachers of outworn shibboleths has become weary of fake new economic religions and of the more impractical reconstructors. It is inclined to listen to those who can locate and define the common denominator between the Old and the New; between Experience and Experiment; between Practice and Theory. Mr. Mooney in his newly published "The New Capitalism," brings freshness to business study, redefines basic monetary truths in simple style and interprets the ideal economic society convincingly.

Fascinating, illuminating, Mr. Mooney's book does three things sucessfully. It finds a method for making the complexities of money and prices intelligible to the reader of ordinary understanding. It surveys and delimits the proper spheres of individual responsibility and governmental control. It sets down a programme for making "the New Capitalism" work, defining the role of the individual, the banker, the manufacturer, the farmer and other citizens.

Working Drawings of Prices

An old-fashioned academic economist would glance through Mr. Mooney's volume and drop it in horror. He would be shocked by the consummate impudence of a writer who tells the theory and philosophy of production in a chapter containing 72 words and nine full-page photographs. (Mr. Mooney, who has travelled much in China, knows the old Chinese proverb that one picture is worth 10,000 words.)

The economist would be even more shocked by the working drawings of the price system that Mr. Mooney has devised. Yet one feels that any honest academician on giving the book a thorough reading would wax enthusiastic over it; would feel that here at last a formula has been found for turning the abstruse into the simple.

The first chapter of the book, on the economic scene, consists of 17 photographs, without a single caption or other word of type. Industrial plants, farmers, shippers, boys and girls at play, men at work and women at work. The effect is telling. Mr. Mooney thinks of economics in terms of the average home. The word "economics" itself comes from a Greek root connoting the science of housekeeping. Says Mr. Mooney "The art of keeping the nation in good economic order involves no more abstruse principles than those invoked daily, by every individual, in keeping his home affairs in order."

Prices and Distribution

Mr. Mooney accepts the oft-repeated premise that production is not today's problem; distribution is. And he admits too that the factor in distribution that is difficult to understand is price. And so one half of his book is given over to a graphical presentation of that portion of economic theory dealing with the monetary system and influences on the level of prices.

It is in this matter that Mr. Mooney makes his most useful and original contribution. He sees distinctly the difficulty the average mind finds in "grappling with several factors at once and trying to hold them in place as we go on with our thinking." His method of rationalizing the approach to economics is to draw a set of pictures of a simple working model such as might be set up in any engineering school to demonstrate basic hydraulic theories. A block of wood floating in a fluid; on top of the block of wood another receptacle, into which one pipe pumps water while another drains it out. The block of wood is the price level; the fluid it is floating in is the medium of exchange, the in-pipe is supply and the out-pipe is demand. That is his representation of the law of supply and demand. It sounds complicated; any written explanation of supply and demand is complicated. But the actual pictures, drawn for Mr. Mooney's book are not complicated. They light up the obscurer corners of economic theory. Step by step the pictures lead on to the other factors in prices, such as gold supply, currency expansion, confidence, until a more complex model shows the whole price system at work. It is an intriguing and convincing explanation that is unfolded and had the volume consisted entirely of this story of prices it would have been a notable book.

Low Prices are Needed

Of course, demonstrating how prices are made is one thing. Discussing the social aspects of the machinery in operation is another and more troublesome duty from which the author does not shrink. He challenges the theory that high prices aid the average man. Equilibrium, he demonstrates by another chain of his delightful working models, is of more importance than the highness or lowness of prices.

"Low gold prices for commodities and consumer goods— providing they are in equilibrium—are the means through which we actually move into better standards of living and better business."

As the head of the company that markets General Motors cars in 60 foreign countries, Mr. Mooney knows something about the baneful results of unduly stiff tariff hindrances to international trade. He makes a strong appeal to Americans to rid themselves of their childlike faith in tariffs as keys to economic security and shows how impossible it is for Americans to isolate themselves. Some of his colored charts are used to show how trade dries up and standards of living languish when tariffs are used to choke rather than control trade flow. Mr. Mooney reverses the popular conception of international trade; declares that it is the goods that come in that enrich the nation, not the goods that go out; claims there is nothing clever in shipping goods abroad without getting paid for them.

Programme for Farmer

Another section attempts to show, again by graphical picture charts, that hours of labor, hourly wage rates, etc., have been exaggerated as factors in prosperity. "The family lives on an annual basis." Steady employment is much more important than hourly or daily wages. Let the cost of the things the worker buys and his taxes be low enough so that there is always a surplus available out of his income for additional comforts and quasi-luxuries. That is the way to raise his standard of living, increase his security and happiness.

The farmer's problem is likewise analyzed and Mr. Mooney essays to summarize what the farmer really wants, an interesting and unconventional summary which will interest Canadian as well as United States farmers. Boiled down it is:

"1. The farmer should raise all the produce he possibly can. Further, he should reduce his unit costs all he can.

"2. Our government should continue aggressively its present constructive policy of opening up his markets abroad, particularly with the aim of removing the huge carry-overs we have had during the past few years that crush commodity prices.

"3. The farmer's taxes should be reduced.

"4. The farmer's interest charges should be reduced.

"5. The farmer's prices for tools, supplies, equipment, and prevailing price levels of commodities. Lowered tariffs will help him to buy at lower prices, just as they will help him to sell more of his products abroad.

"6. The transportation rates on farm products, that impede the free flow of these products to the market, should likewise be put in balance with other price levels. In general everything possible should be done to decrease the margin that exists between what farm products bring at the farm and what they bring in the retail market."

Task of Government

Mr. Mooney concludes by outlining his concept of the conditions that would exist in an ideal economic state written in terms of American ideas; by demolishing numerous economic fallacies that are now the vogue; by discussing the relationship between the State and economic life and by calling the roll of the economic units in the State and handing each one a job to do.

Mr. Mooney assigns only three jobs to Government; to keep taxes to a minimum; to establish the rules of the game among the various competing economic groups and to see that the game is played fairly; to maintain such free play of economic forces as will protect the interests of consumers.

"The function of Government may best be expressed in the simple word protection." This does not imply for Mr. Mooney, complete return to laissez-faire, because laissez-faire under the old industrial system violated human justice (for instance in child labor). But Mr. Mooney wants his New Capitalism to be based on the simple doctrine that "What I work for and save is mine." He wants it to put a premium on human initiative. He asks from Governments only protection. If they must go into economic partnership with any group, let it be the consumer.

Might Be Two Volumes

While essentially a popular book on economics, "The New Capitalism" is a challenge for a housecleaning of people's minds of the rapidly accumulating debris not of past thinking but of irrational present thinking. The volume attempts too much; although very brief, there are at least two basic ideas each of which should have been retained within the channel of a single volume. There is a tendency to preachiness and some over-simplification which might lead a few readers astray. The chapters in which abstruse economic principles are made plain will have a universal appeal. One wishes they had been abstracted from the volume, enlarged upon and made into a single volume for world sale. The outline of the New Capitalism is written to Americans; its basic truth, when applied to any country is obscured by the directness of the appeal. The explanation is that Mr. Mooney is addressing a challenge to the audience that interests him most, the American people. The effect on the Canadian reader is like that produced on a good Methodist who sits down in a Presbyterian church. The religion and the theology are understandable and applicable; but one still feels a bit of a stranger.

"The New Capitalism" is published by the Macmillan Co. of Canada, Toronto at $4.

"5,000 Facts About Canada"

Long before Frank Crumit, radio star, became famous for his "Foolish Facts" another Frank became famous for his "Five Thousand Facts About Canada," which are infinitely wiser ones. Frank Yeigh's 1934 edition is off the press. It is the thirty-first. Time does not permit one to count the facts to see if they total exactly 5,000 as advertised; we suspect that they add up to several times 5,000. But the book is as concise as ever; a model of condensation of essential facts. They are presented in the usual note of optimism. Mr. Yeigh has no space for unpleasant facts. Published by the Canadian Facts Publishing Co., 588 Huron Street, Toronto, the little volume is available at 35 cents.

"Unemployment Insurance"

Two British lawyers, S. P. Low and V. F. Coules, have published a small book on unemployment insurance. This is a concise, detailed picture of the principles and practices governing unemployment insurance plans in Great Britain. It is written primarily for the student and outside a few pages of introduction which give the broad outlines of the British plan, the entire volume is devoted to a detailed analysis of the various features of the British act.

This should be a good reference book, for those studying this legislation but there is no opinion expressed as to the pros and cons of the British legislation or other similar acts in different countries. It is very well indexed, some 11 pages being devoted to this purpose.

Published by Isaac Pitman & Sons (Canada) Limited, in Toronto. Price $1.80.

"Stock Exchange Year Book"

Montreal Stock Exchange and Montreal Curb Market have issued jointly a Year Book, detailing information regarding stock exchange rules and practices together with statistical data. For those well acquainted with the Montreal stock exchanges, the history of the institutions and a chapter dealing with the method of transacting business are interesting.

The booklet is being distributed to members of the Montreal Stock Exchange and the Montreal Curb Market, from whom copies are to be had.

GENERAL TRUST COVERS CHARGES FOR PAST YEAR

Trusts Under Administration Register Increase in 1933

From Our Own Correspondent

MONTREAL.—General Trust of Canada reports net profits of $87,606 in 1933 after the transfer of an additional $15,000 to investment reserve. This compares with $85,574 in the previous year.

The financial statement, as presented at the annual meeting of the shareholders shows that the dividend is earned by a comfortable margin, while a surplus of $21,606 was carried to the previous balance.

Particulars of the profit and loss account for the past two years follow:

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. *Rate $	Rate Earned $
1928	794,503	30,216	....	3.80
1929	1,105,000	88,474	3.75	8.00
1930	1,105,000	91,587	5.50	8.32
1931	1,105,000	99,675	6.00	9.06
1932	1,105,000	85,574	6.00	7.78
1933	1,105,000	87,607	6.00	7.97

Capital stock consists of $1,100,000 and $5,000 common.

*On preferred.

Year	Guar. Account $	Estates under Adminis. $	Total Surplus $
1928	1,684,409	4,494,227	41,070
1929	1,387,131	6,896,031	77,199
1930	3,117,047	20,018,927	108,287
1931	1,514,650	24,883,078	141,962
1932	1,312,475	29,224,203	161,537
1933	1,157,825	33,289,873	183,144

Reserves Show Increase

The balance sheet at the end of 1933 shows assets in the company's account at $1,420,014 as compared with $1,367,815 at the end of 1932.

Liabilities of the company show no change in the outstanding preferred stock at $1,100,000 or in the common stock at $5,000. Investment reserve has increased from $15,000 to $30,000, while the general reserve has advanced from $68,178 to $81,617.

Handle More Trusts

Trusts under administration show a healthy increase during the year, advancing from $29,224,203 in 1932 to $33,289,872 in 1933.

Call loans, etc., are shown on the books at $1,157,825 as against $1,312,475 at the end of the previous year.

Directors Are Re-elected

The following board of directors was elected: Messrs. L. J. Adutor Amyot, Joseph Beaubien, L. E. Beaulieu, A. N. Drolet, Sir J. Geo. Garneau. Messrs. Ernest Guimont, Mendoza Langlois, Charles Laurendeau, Beaudry Leman, Hon. D. O. L'Esperance, Hon. J. Nicol, Hon. J. E. Perrault, Hon. Donat Raymond, Mr. Leo. G. Ryan, Hon. Geo. A. Simard, Messrs. C. T. Taschereau, Arthur Terroux and Hon. J. M. Wilson.

At a subsequent meeting of the board of directors Hon. J. M. Wilson was re-elected president of the company and Hon. D. O. L'Esperance and Mr. Beaudry Leman were re-elected vice-presidents.

N. S. MORTGAGE CO. ADDS TO RESERVE

Earned 8.75 p.c. in 1933 — Continues Dividends at 7 p.c.

Mortgage Corp. of Nova Scotia, Halifax, N.S., had net profit of $59,506 or 8.75 per cent on paid-up capital of $680,000 in 1933. Dividends amounting to 7 per cent were paid during the year and $10,000 was added to reserve fund bringing the total to $340,000. Deposits with the company increased to $51,103 from $49,046 and debentures outstanding dropped to $750,593 from $790,709.

Cash is up to $46,103 from $31,415. Mortgages on real estate are down to $1,745,203 from $1,792,501 while real estate held for sale, less provision for possible loss, is up to $30,542 from $25,678. In addition the company holds $16,489 of C. N. R. guaranteed bonds and $11,001 of Canadian Northern Railway guaranteed bonds and school district debentures to the amount of $7,755.

Record of the company for the past six years is as follows:

Earnings Record

Year	Paid-up Capital $	Net Profits* $	Div. Rate	Rate Earned $
1928	680,000	64,800	6	9.53
1929	680,000	66,800	6	9.82
1930	680,000	68,921	6	10.13
1931	680,000	67,050	7	9.86
1932	680,000	64,214	7	9.44
1933	680,000	59,506	7	8.75

*After all cost of management, interest, taxes and directors' remuneration and provision for possible loss on real estate.

Year	Total Assets $	Reserve Funds $	Liab. to Public $
1928	1,872,728	242,000	598,089
1929	1,981,319	267,000	659,574
1930	2,123,781	292,000	808,721
1931	2,218,393	312,000	865,672
1932	2,205,791	330,000	851,938
1933	2,180,094	340,000	812,273

Japan Takes Less Wheat

Canada's export of wheat to Japan for the first nine months of 1933 amounted to 3,042,575 bushels valued at 7,287,661 yen as against 3,575,174 bushels valued at 6,765,401 yen in the corresponding months of 1932.

CAN. INDUSTRIES OBTAINS BUILDING

Architects' Building Taken Over by Chemical Firm

From Our Own Correspondent

MONTREAL.—Following approval of a settlement with the bondholders of Architects Building Corporation, whereby they receive $375 in cash for each $500 par value bonds, it is announced that control of the property has been acquired by Canadian Industries Ltd.

Excavating for the Architects Building first started in June, 1929. Ross and Macdonald were the architects and promoters, while the Geo. A. Fuller Co. were the general contractors. The building cost over $1,000,000 and is of steel and stone construction.

The corporation carried out financing to the extent of $700,000 first mortgage bonds, $500,000 of general mortgage income bonds and 4,000 shares of no par value common stock.

Failed to Pay Interest

From May, 1933, on the company failed to pay interest on its bonds. Last month a meeting of the bondholders was called to consider a proposal whereby $525,000 in cash would be paid to the trustee for distribution to the first mortgage bondholders, provided the bondholders agreed to the cancellation of the company's first mortgage debt and accrued interest. This scheme was approved.

While no definite announcement has been made, it is expected that the head office of Canadian Industries will be moved to the new building.

John D. Gilmour,
B.Sc.A., B.Sc.F., (Toronto)
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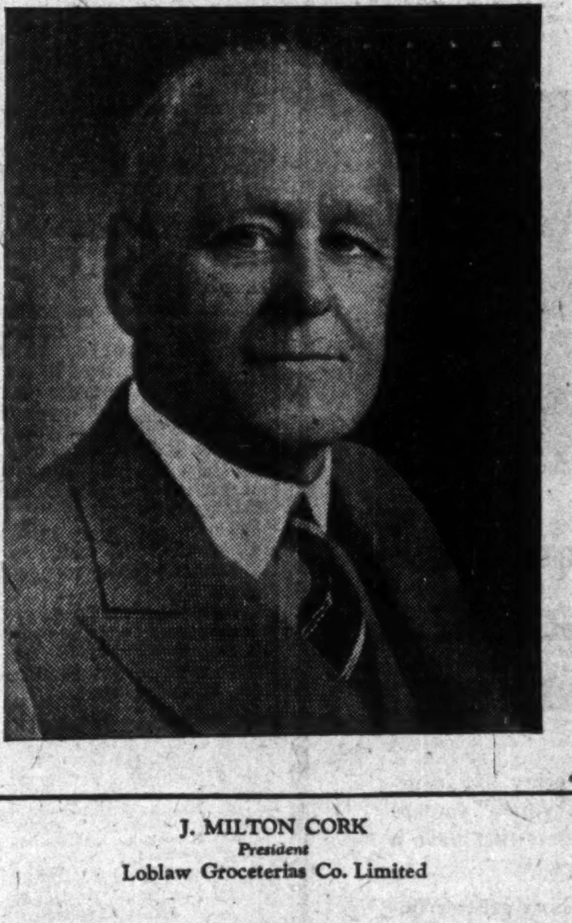

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Insurance for Buyer and Seller

CANADA BUSINESS WELL MAINTAINED BY METROPOLITAN

Total in Force in Dominion Still Tops Billion Dollar Mark

Maintenance of business in force in Canada during 1933 at within 2 per cent of the corresponding figure of 1932 is reported in the annual statement of Metropolitan Life Insurance Co. The new figure is $1,008,213,000, which retains for the company its claim to having more business in force in Canada than any other institution and being also the only company to have in Canada over a billion dollars of insurance on its books. Metropolitan first topped the billion dollar mark for Canadian business in 1931.

New business issued by the company in Canada in 1933 was lower by only 4 per cent than the same figure in 1932, at $213,638,000. Both ordinary and industrial business were well maintained but new group business was sharply down even from the small figure of a year ago. This is in line with the experience of other companies in this field.

Ordinary Business Up

Analysis of total business in Canada shows an actual gain in ordinary business in force at the end of the year, the sharpest decline having occurred in industrial business. Number of ordinary policies in force in Canada at the end of the year was also higher at 397,000.

Total investments of the company in Canada at the end of the year now stand at $246,000,000, which is $5,000,000 above the previous year's total. The increase is due to higher holdings of government and government guaranteed bonds. Total payments to policyholders in Canada in 1933 reached a new peak at $30,750,000, which is over $2,500,000 more than the previous high mark established in 1932. In the past five years the total distributed to Canadian policyholders has been over $116,000,000.

New Business Over Three Billion

For the company's business as a whole, the 1933 record shows new issued business at within 3 per cent of the corresponding figure of 1932 and in the ordinary department an actual increase over last year was shown. The total is still well over the $3 billion mark. Total business in force is about 1 per cent less than the previous year at $18.8 billion.

Total income was sharply lower in 1933, but was sufficient to meet all disbursements and add something over $2,000,000 to free surplus which now stands at $243 million. This is in addition to a contingency reserve of $43 million. Total assets are 2 per cent higher at $3.8 billions. In 1933 the company paid some $573 millions to policyholders, of which $151 millions was in death claims and $102 millions in policy dividends. This is the highest figure in the history of the company and brings the total of moneys distributed in this way since January 1, 1929, to over the $2 billion mark.

Comparative figures for the past two years follow:

	1933	1932
New Business (in Canada only)		
New Ins. Issued*	$	$
Ordinary ...	116,438,139	120,577,748
Industrial ..	95,524,241	99,587,248
Group	1,676,474	2,708,459
Total	213,638,854	222,873,450
Bus. in Force:		
Ordinary ...	580,219,141	577,634,174
Industrial ..	363,058,040	385,943,647
Group	64,936,197	67,412,964
Total	1,008,213,378	1,030,990,785
Policies in Force:		
Ordinary ...	397,399	390,246
Industrial ...	2,215,006	2,332,781
Group	36,581	38,109
Total	2,648,986	2,761,136
Investments (in Canada only)		
Dom. bonds ..	51,200,020	46,646,459
Prov. & mun. bonds	111,459,190	112,175,423
Other invests..	83,574,199	82,687,511
Total	246,233,408	241,509,393
Entire Business		
New business‡	3,174,994,475	3,273,178,268
Insur. in force	18,802,984,818	18,980,743,208
Total income..	871,233,003	921,953,101
Policy paymts.	572,679,581	562,804,651
Total assets ...	3,860,761,191	3,769,372,425
Policy reserves	3,358,462,467	3,195,064,184
Conting. res. ..	43,000,000	43,000,000
Free surplus ..	243,123,033	240,811,739

*Including business revived and increased except for group where increased business was excluded.

†Included in policy payments above.

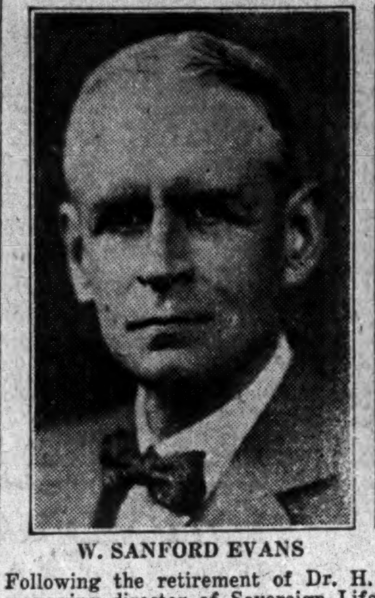
‡Paid for insurance issued, revived and increased.

R. O. Grothe Joins Board Pioneer Insurance Co.

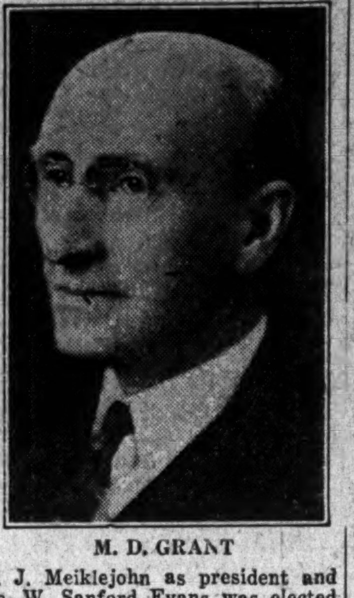
From Our Own Correspondent

MONTREAL.—Col. the Hon. R. O. Grothe, president of L. O. Grothe Ltd., and member of the Legislative Council for the Province of Quebec, has been elected to the board of directors of the Pioneer Insurance Co., an associate of the Royal Insurance Co. Ltd. of Liverpool, Eng.

New Officials of Sovereign Life



W. SANFORD EVANS



M. D. GRANT

Following the retirement of Dr. H. J. Meiklejohn as president and managing director of Sovereign Life, W. Sanford Evans was elected president and M. D. Grant managing director of the company. Mr. Evans has been a director for 23 years and Mr. Grant has been assistant general manager since 1924.

SOVEREIGN LIFE HAS APPOINTED NEW OFFICERS

W. Sanford Evans is President; Milton Grant Gen. Manager

Retirement of Dr. H. J. Meiklejohn, as president and managing director of the Sovereign Life Insurance Co. after 25 years service with the company was announced at the annual meeting held at Winnipeg recently. To succeed him, directors elected as president, W. Sanford Evans, who has been a member of the board since 1911. Chief executive responsibility falls on Milton D. Grant, assistant general manager since 1924 and who now becomes managing director. Another appointment was the election to the board of directors of John W. Horn, of Winnipeg.

Further writing down of mortgages and an increase in investment reserve was reported in the company's annual statement presented at the meeting. New business written and revived during 1933 was shown as $3,340,000, a decline of 18 per cent from the corresponding figure a year ago. General conditions in the West where, in former years, the company has been most active, caused a decrease which Eastern agencies were unable to overtake. Business in force at the end of the year was down about 5 per cent at $24,710,000.

Expenses Lower

Total receipts were slightly higher and this year balanced disbursements. Of the latter, a reduction in general expenses and in amounts paid as dividends to policyholders was largely offset by higher payments on account of death claims and an $80,000 increase in the amount paid in surrender values.

Total assets are lower, there being a drop of $130,000 in policy loans outstanding, while a further $25,000 was written off mortgages and real estate and $89,000 of interest was charged back and no credit taken for it. During the past three years the company reports ledger assets have been written down by $418,885 and interest revenue written off or not charged to the extent of $178,200. The company at the end of the year shows an investment reserve of $200,000 as compared with $127,000 a year ago, but as investments are carried in the balance sheet at book or ledger value this reserve (at the end of 1933) shows a net margin of actually $120,000. In addition the company has free surplus over and above paid up capital, of $153,800, which is slightly higher than the corresponding item a year ago.

Analysis of the company's investments shows 43 per cent of the total in first mortgages; 30 per cent in bonds and debentures and 21 per cent in policy loans.

Comparative figures follow:

	1933	1932
New Business	$	$
New ins. written* ...	3,340,726	4,087,086
Bus. in force	24,710,220	26,024,850
Income & Disbursements		
Net prem. income	764,196	757,265
Interest & rents	266,050	272,886
Policy payments:		
Surrender values ..	530,192	451,296
Death claims	97,877	80,192
Policy dividends ...	98,614	139,564
Assets & Liabilities		
Total assets	5,867,320	5,978,885
Bonds & debs.†	1,604,601	1,490,406
Mortgages	2,334,916	2,446,782
Policy loans	1,117,045	1,245,294
Policy reserves	4,813,363	4,919,591
Invest. & reserve	200,000	127,000
Free surplus	153,826	151,069

*Including revivals. †At ledger value.

New President Well Known

The new president of the company, W. Sanford Evans, is a nationally-known figure, both as a wheat expert and more recently as president of the Canadian Chamber of Commerce. He is also leader of the Conservative opposition in the Manitoba provincial legislature. Born in an Ontario parsonage in 1869, he achieved a college education at Toronto and Columbia and then set to work on a newspaper.

From editor of the Winnipeg Telegram he became Mayor of Winnipeg in 1909 and since then has been a member of several major Canadian commissions appointed to investigate such subjects as the Georgian Bay Canal, Salmon Canneries, B. C. Fruit Production and Marketing, and the famous Stamp Commission on Grain Futures in 1931.

Dr. Meiklejohn's Career

Dr. Meiklejohn, born in 1859, first joined the service of the Sovereign Life in 1907, when he was appointed provincial manager for Manitoba with headquarters in Winnipeg. At that time the company's head office was in Toronto. In 1910, when a change of management took place at Toronto, he was requested by the shareholders to take the managing directorship, in 1912 he removed the home office from Toronto to Winnipeg; in 1921 was elected first vice-president and upon the death of the president, William Grayson, in 1926, was appointed to the presidency of the company.

AVERAGE CLAIM GREAT WEST LIFE WAS $3,559 IN '33

Heart Diseases and Violent Deaths Take Heavy Toll

Analysis of the 947 death claims paid by Great-West Life during 1933 shows that over 50 per cent of these claims were on policies which had only from one to ten premiums paid. Average amount paid by the company in claims was $3,559, while total payments were $3,370,706.

Analyzed by types of disease, those of the heart, or "circulatory system" were responsible for the largest number of deaths. In this group, the company paid out over $1,200,000, or 36.6 per cent of total claims. Violent and accidental deaths came next and cost the company, $444,000 or 13.2 per cent, of the total. Suicides and automobile accidents loomed largest in this group. Claims paid to policyholders who died from cancer were next in importance, comprising roughly 11 per cent of the total.

Coronary Thrombosis Leads

The most important single cause of death as far as amount of claims paid, was coronary thrombosis, for which 53 claims were paid, totalling over $384,000. Amounts paid to policyholders who died of cancer were within $1,000 of this total. Next in order of importance as far as individual causes of death are concerned were suicides, which cost the company $138,000 under 28 claims; pneumonia cost $146,000 with 44 claims, and tuberculosis for which 59 claims cost $101,000. Several other heart diseases, such as myocarditis, apoplexy and cardio-reanal, cost the company collectively nearly $600,000.

The company's claims analyzed in various ways are as follows:

(1) Classified According to Number of Premiums Paid

Prems. paid	Claims	Amount	
1	44	$ 103,154.99	3.1%
2	27	85,944.19	2.5%
3	53	231,864.39	6.9%
4	64	188,744.10	5.6%
5	60	132,385.00	3.9%
6 to 10	376	986,692.85	29.3%
11 to 20	424	1,108,936.85	32.9%
Over 20	34	85,363.00	2.5%
Paid Up	158	447,621.00	13.3%
	1,240	$3,370,706.37	100.0%

(2) Classified According to Ages at Death

Ages:	Claims	Amount
Under 30 years	111	$ 160,481.40
30 to 39 years	128	296,590.19
40 to 49 years	189	719,144.14
50 to 59 years	269	1,185,650.64
60 to 69 years	186	784,560.00
70 to 79 years	60	214,861.00
80 to 89 years	4	9,419.00
Total	947	$3,370,706.37

(3) Analyzed According to Cause of Death

	Claims	Paid	%
General diseases	134	$ 312,018	9.3
Cancer	108	383,041	11.4
Diseases of circulatory system	281	1,234,034	36.6
Dis. of nervous system	45	151,241	4.5
Dis. of digestive syst.	61	204,748	6.1
Dis. of respiratory sys.	59	194,845	5.8
Dis. of genito-urinary system	41	178,114	5.3
Violent & accidental deaths	135	444,465	13.2
Diseases unclassified	83	268,201	7.8

Insurance Inklings

SIDNEY B. SIMMONDS, Winnipeg, cashier of the Continental Life Insurance Co. for the past sixteen years has been appointed city manager.

LEON A. BROWN, of Winnipeg, led Canadian agents of the Travelers of Hartford in new life premiums for 1933. John A. Perdue, Vancouver and Norman F. Henry, of Toronto, were respectively second and third.

EUGENE S. FREEMAN, Halifax, led Canadian agents of the Travelers of Hartford in new accident premiums for 1933. Norman Morrison, of Montreal, and E. H. Cowan, of Vancouver, were second and third respectively.

J. HAROLD HARVEY has been appointed superintendent of agencies in Ontario for the Great American Group. Mr. Harvey was formerly connected with the C. F. U. A. and Murphy, Lane, Hamilton and Bascom, Toronto.

C. E. KEDDY, district manager at Kirkland Lake for the Ontario Equitable Life, has been awarded the president's award for all-round efficiency during 1933.

L. E. FISHER has been promoted to the position of branch manager of the Manufacturers' Life at Trinidad, the agency there having been elevated to the status of a branch.

W. J. H. CHITTICK, C.L.U., has been appointed branch manager of the Manufacturers' Life at Saskatoon. Mr. Chittick was formerly attached to the Brandon branch.

J. N. CLARK has been appointed city manager for Winnipeg of the National Life Assurance Co.

W. R. BRADLEY has been appointed inspector for Alberta and British Columbia of the Mill Owners Mutual Fire Insurance Co.

R. T. BOYES has been appointed western Ontario supervisor of the Excelsior Life.

LESLIE A. BUTCHER has been appointed Windsor district manager of the Empire Life.

The Nalaco Cup, premier award of the North American Life Assurance Company, has just been presented to the Central Ontario Agency, located in the Royal Bank Chambers, Peterborough. This branch under the leadership of D. V. Ketcheson, won the trophy in 1933 for the second successive year.

Assistant Manager

DONALD C. MACDONALD

Appointed assistant manager of the ordinary branch of the Prudential Insurance Co. at Toronto. The branch is in charge of R. J. Williams.

Confederation Raises Rates Non-Participating Business

Announcement of an increase in non-participating rates was made this week to its agency force by the Confederation Life Association. The increase is graded according to age of entry and type of policy but for most plans amounts roughly to 3.5 per cent. The announcement was made with the publication by the company of a new rate book which also contains other changes of interest to policyholders and agency representatives.

Significance of the increase in non-par rates is due to the fact that Confederation is the first of the leading "par" life companies to face a situation which has been developing in recent years with the sharp increase in popularity of the non-par contract. In normal times the bulk of business in Canada is written on a participating basis but reduced dividend scales and other factors tended in the past two years to reverse this trend and many leading companies have been writing upward of 30 to 50 per cent of their business on a non-par plan.

Old Rates Thought Inadequate

With this change in trend, low non-par rates which had been on the books of this type of company for many years, were found to be inadequate. Last spring chief actuaries got together to discuss the problem. Most of them agreed something should be done but agreement was lacking as to details and the matter was dropped. Now the problem looms large again with Confederation having taken the bull by the horns and announced its increase.

Just what the result will be is somewhat uncertain but many life company officials concede that the lead of the Confederation will be followed shortly by many if not all of the leading Canadian companies.

Last year the chief companies writing purely non-par business on this continent, and commonly known as the Hartford group, increased their rates. The new Confederation non-par rates are for most ages now fairly close to the present Hartford scale. One feature of the Confederation change is that the greatest increases are in the earlier ages with little or no change in rates for older policies. The increases apply to all non-par rates issued by the company excepting the all-life plan under the Confederation series where a small reduction of about 1 per cent has been made.

Canadian Fire Improves Ratio Adds to Surplus

A decline of 18 per cent in net premium income and an improvement in earned loss ratio as compared with last year are reported in the 39th annual report of Canadian Fire Insurance Co. of Winnipeg, presented at the company's annual meeting last week. Surplus account at the end of the year also showed a gain, the new figure of $686,000 being $28,000 higher than the corresponding item a year ago.

Ratio of losses incurred to premiums earned during 1933 totalled 42.5 per cent as compared with 45.5 per cent a year ago. Expense ratio both with and without government taxes was higher, as shown in the tabulation below.

Reserve Set Up

The company's balance sheet shows $32,000 appropriated as reserve for depreciation market value of securities of which $7,000 was applied to reduce book values and $25,000 set up as contingency reserve for the same purpose. Total assets are shown at $2,564,000, of which $1,116,000 was in bonds and debentures. Regular dividends at the rate of 8 per cent per annum was paid.

The company's report draws attention to the fact that during the year the company opened branch offices at Los Angeles and San Francisco to take over and develop the company's business in California, formerly conducted on a general agency basis.

Comparative figures follow:

	1933	1932
	$	$
Gross Prem. Inc.	784,420	939,445
Net Prem. Income ...	613,845	744,888
Loss Ratio (Earned) .	42.5%	45.5%
Expense Ratio*	46.8%	45.4%
Tax Ratio†	7.5%	6.3%
Assets	2,564,389	2,585,183
Free Surplus	685,587	652,469

* Ratio of expenses (ending gov't fees and taxes) to prems. written.

† Rates of gov't fees and taxes to prems. written.

In-One-In-All Parleys Continue This Week

As March 1 approaches, negotiations continue among fire and casualty companies to bring into force on that date the proposed "in-one-in-all" ruling which was announced at the first of the year.

Various difficulties have developed in respect of this proposed ruling and further meetings of officials of the various associations are being held this week to attempt a final solution. If at all possible it is hoped that the ruling will come into effect next Thursday, although whether a "hoist" until some later date will be necessary, will not be ascertained definitely till the end of the week.

If the ruling is made effective it will mean that all companies in Canada must be members of the three "tariff" associations in order to write either fire, automobile or casualty business under tariff aegis.

WEST. EMPIRE LIFE WROTE $1,725,000 IN '33

Business in Force Now Stands at $8,809,000 — Terminations Lower

New business issued by Western Empire Life Assurance Co. in 1933 totalled $1,725,000 a decline of 11 per cent from the corresponding figure of 1932, according to the annual report presented at the company's annual meeting recently. Total business in force at the end of the year was lower by 7 per cent at $8,809,000. The company reports that terminations were lower by 30 per cent as compared with the previous year.

Income receipts were well in excess of total disbursements there being a slight gain in premium income, a reduction in general expenses, and a further saving in mortality as compared with a year ago. A considerable sum received last year in respect of repayments on policy loans and investments does not appear in the 1933 statement while no disbursements in respect of policy dividends were made during the year. Payments on matured and surrendered policies were higher.

Total assets are slightly lower at $1,911,000 the chief item being first mortgages totalling $901,000 as compared with $950,000 a year ago. Real estate held by the company increased during the year from $70,000 to $147,000. Bonds and debentures which last year were shown in the report at $220,000 are down sharply this year to $77,000, while policy loans outstanding are also lower. Another $10,000 has been added to investment reserve while free surplus over and above paid up capital of $218,000, is reduced to $15,000.

Comparative figures follow:

	1933	1932
New Business	$	$
New ins. issued	1,724,910	1,936,180
Bus. in force	8,808,554	9,471,930
Income & Disbursements		
Net prem. income ...	260,424	258,212
Total income	340,184	484,332
Policy payments	158,633	193,275
Excess*	66,815	132,145
Assets & Liabilities		
Total assets	1,910,483	[illegible]
Policy reserves	1,423,951	1,400,316
Conting. reserve	100,000	90,000
Free surplus	15,112	31,637

*Of income over disbursements.

WATERLOO MUTUAL REPORT GOOD YEAR

Loss Ratio Reduced and Premiums Written Higher

Net premiums written of $316,677 are shown in the 71st annual statement of the Waterloo Mutual Fire Insurance Co., the corresponding figure for 1932 being $311,368. The company reported 43,538 policies in force as compared with 42,165 at the end of the previous year and net amount at risk of $70,882,990 as compared with $70,004,517.

Net premiums earned in 1933 amounted to $317,786 as compared with $322,557 in 1932. Losses incurred amounted to $208,643 giving a loss ratio for 1933 of 65.6 as compared with 73 per cent in 1932 and 87.1 per cent in 1931.

Total assets as at Dec. 31, 1933, amounted to $1,559,126, a slight increase from the total of the previous year. Of the 1933 total, $1,398,811 represents bonds and debentures at amortized book value and after deducting $100,000 for issues in default. Surplus is shown at $1,274,376 as compared with $1,258,594 a year ago.

Great-West Life Extends Premium Interest Reduction

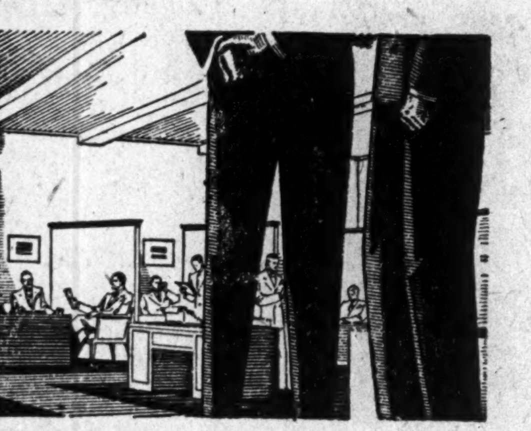
Great-West Life announces that it will extend the reduction of interest payable on semi-annual and quarterly premiums, made in August, 1933, to all half-yearly, quarterly, and monthly premiums on all policies (except Retirement Annuity) in force on Mar. 1, 1934.

The reduction in interest made in August, 1933, reduced the rate on half-yearly and quarterly premiums to 3 per cent and 5 per cent respectively.

Detroit Branch Members Lead Great-West Agencies

Members of the Detroit branch carried off all the honors in the 1933 Hundred Thousand Club of the Great-West Life S. J. Cohn of that branch annexed all the premier individual honors, being president of the club, aggregate leader and handicap leader, the first time that this has been accomplished. H. Himelstein, of Detroit, is vice-president.

Although the number of agents qualifying for the club is exactly the same as in the previous year, there is an increase in the number of members of the premier section. Vancouver leads all branches in number of men qualified with twelve.



Have you these UNUSED ASSETS . . . in YOUR BUSINESS?

If your company does not carry life insurance on the lives of your "key men" you are leaving unused, business assets that have a very tangible value these days.

Credit organizations are placing greater importance on the amount of life insurance carried in favor of a company large or small—and rightly so.

In the event of the death of an important officer or partner it provides immediate cash to liquidate his interest or pay off other obligations, and to avoid the embarrassment of dealing with his estate. It strengthens the company's financial position at a time when it comes under critical inspection. It avoids a strain on company resources.

THE GREAT-WEST LIFE Assurance Company has a plan of particular interest to every business director who can appreciate the part life insurance would play in strengthening his organization. Full details will be given gladly without obligation, and a copy of the company's latest financial statement will be sent on request.

THE GREAT-WEST LIFE ASSURANCE COMPANY
Winnipeg, Man.
I am interested in your plan. Without obligation send particulars. Dept. 67-S.
Name ______________________
Address ______________________

THE
GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE: WINNIPEG

"Pegging" Your Income!

The professional man—lawyer, doctor, engineer, clergyman—has a different problem from that of his commercial brother. His chief assets are his ability and experience. These are revenue-producing only while he lives. They die with him—or become inactive when he retires.

Life assurance gives him the privilege of perpetuating the revenue from his profession for any amount or period he chooses. He can prolong his income far beyond his productive years. He can "peg" a regular income for his own old age. Or he can definitely fix it for his dependants. And he can liquidate the cost of doing so, during the income-producing years when such payments entail little or no sacrifice.

A Sun Life representative will be glad to draw up a plan suited to your own individual requirements upon request.

SUN LIFE ASSURANCE COMPANY
OF CANADA
HEAD OFFICE MONTREAL

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $250,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

BRITISH AMERICA ASSURANCE COMPANY
FIRE - AUTOMOBILE - MARINE - CASUALTY

The Reputation of British America

for fairness and quick action in the settlement of claims, together with the Company's inherent financial strength, should recommend itself to the agent.

His interest is the permanent goodwill of his clientèle and the British America Company helps to enable him to render the type of service which will best achieve this end.

1833-1933
100 Years
of Service

ASSETS
over
$4,700,000
LOSSES PAID
since organization
of Company in 1833
over
$70,000,000

THE
BRITISH AMERICA
ASSURANCE COMPANY
OF TORONTO
TORONTO - CANADA

THE
WESTERN EMPIRE
Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

NORTHWESTERN MUTUAL
FIRE ASSOCIATION
SEATTLE WASHINGTON
HEAD OFFICE FOR CANADA
HAMILTON ONTARIO
WRITING FIRE AND AUTOMOBILE
INSURANCE AT COST. ASSETS $4,616,449.70
ALL POLICIES NON-ASSESSABLE, PAYING
DIVIDENDS RANGING FROM 20% TO 30%

BRANCH OFFICES
Toronto
Ottawa
Vancouver
Victoria
Edmonton
Calgary
Saskatoon
Winnipeg
Montreal
Quebec City
St. John
Halifax

Summary Statement

In 1933 the Sovereign Life met all the demands of another abnormal year and earned a substantial surplus as well.

Paid to Policyholders $799,896.45
Profits for Distribution to Policies $249,363.00
Surplus above Specific Liabilities $614,603.86
Reserves for Policy Contracts $4,813,363.00
Total Fixed Liabilities $5,252,915.80
Total Admitted Assets $5,867,319.66

Bonds, Mortgages and Policy Loans constitute 93.4% of total Investments. Doubtful assets written down. Expenses reduced. Mortality in 1933 only 34.5 % of expected.

BALANCE SHEET, DECEMBER 31, 1933

ASSETS		LIABILITIES	
Bonds, Debentures and Debenture Stocks (ledger value)	$1,604,660.65	Net Reserve under Assurance and Annuity Contracts, including value of Supplementary Contracts	$4,813,363.00
Preferred and Common Stocks (ledger value)	119,323.70	Policyholders' Funds on Deposit	148,877.91
First Mortgages on Real Estate	2,334,915.64	Premiums and Interest in Advance	40,706.31
Real Estate Owned	183,367.30	Unpaid Claims, Dividends and Sundry Accounts	39,973.58
Loans on Policies secured by Reserves	1,117,045.17	Policyholders' Profit Funds	249,363.00
Net Outstanding and Deferred Premiums (less cost of collection)	246,927.60	Investment Reserve	200,000.00
Interest Outstanding	142,603.79		$5,492,283.80
Interest and Rents Accrued	61,898.78	Capital and Shareholders' Acct.	221,210.11
Current Cash	56,577.03	Unassigned Surplus	153,825.75
	$5,867,319.66		$5,867,319.66

THE SOVEREIGN LIFE
ASSURANCE COMPANY OF CANADA
HEAD OFFICE - WINNIPEG
ASSETS EXCEED FIXED LIABILITIES BY 11.7 PER CENT.

Bank Chat on Current Topics

Coinage Design Should be Practical

THE silver coinage of the United States may be beautiful in design but in order to get an artistic result the designer produced coins that would not stack; designs that were too fragile to hold their beauty and surface which, after a few months wear, lost their nicety and were so smooth that they would no longer ring true, according to the American Banker.

While the United States silver coin is no longer as familiar as it once was in the tills of Canadian banks, there still remain sufficient examples of such coins to prove the point that they are aged before their time. Dates are almost obliterated in many cases, the drapes of Liberty have worn thin and the eagle has become a frowsy bird.

The American Banker urges the present administration to re-vamp the currency with some practical points to mark the era of the new deal. Two specifications are essential in silver coinage: the coin should have a rim wide enough to take the bulk of the wear and high enough to make sure the coin stacks almost automatically; the design on the coin should be as handsome in worn silhouette profile as it is in bas relief fresh from the mint.

The new, and as yet uncirculating, Washington memorial quarter, is stated to be unfit for the hard work that quarters get. In its current design it is a poor stacking coin and when it wears a little, it is reported, it makes George Washington's face look like something the cow stepped on.

* * *

New Parities for Exchange

WITH the proclamation by President Roosevelt on January 31 that the United States dollar should have a gold content of 15 5/21 grains of gold 9/10 fine the U. S. dollar now contains 13.71428671 grains fine gold as compared with 23.22 grains fine gold for the dollar before the United States went off the gold standard. The present dollar contains 59.06238 per cent of the old dollar's fine gold content.

This devaluation of the United States dollar naturally results in a new parity with other national currencies throughout the world. The following list gives a comparison between the old and the new parities.

	New Par	Old Par
Austria, schilling	23.8244c	14.07c
England, £	$8.2397	$4.8665
Australia	$8.2397	$4.8665
South Africa	$8.2397	$4.8665
France, franc	6.6385c	3.9179c
Germany, mark	40.3325c	23.82c
Italy, lira	8.91112c	5.26c
Belgium, belga	23.5419c	13.904c
Holland, florin	68.0567c	40.20c
Hungary, pengo	29.6125c	17.49c
Switzerland, franc	32.6693c	19.30c
Canada, dollar	$1.693125	$1.00
Sweden, krona	45.3740c	26.80c
Mexico, peso	84.40c	49.85c
Denmark, krone	45.3740c	26.80c
Spain, peseta	32.6693c	19.30c
India, rupee	61.7978c	36.50c
Japan, yen	84.3957c	49.85c
Argentine, peso	71.8724c	42.44c
Brazil, milreis	20.2550c	11.96c
Chile, gold peso	20.5990c	12.17c
Colombia, gold peso	$1.6479	97.33c
Uruguay, gold peso	$1.751097	$1.0342

Staff Changes

W. J. COULTHARD, vice-president of the Canadian Bank of Commerce (California) at San Francisco, has been appointed second vice-president of the bank's subsidiary in Los Angeles, Cal., succeeding W. H. MILLER, present assistant vice-president at that point, will retire shortly from the service.

The Royal Bank announces the following staff changes:

B. STRATH, accountant at Fairview branch, Vancouver, goes to Victoria, B.C., as accountant.

T. W. H. McPHERSON, supervisor's department, Halifax, goes to Sydney, N.S., as accountant.

D. B. MacLEAN, accountant at Kelowna, B.C., goes to New Westminster, B.C., as accountant.

W. M. MORPHET, accountant at Market branch, Hamilton, goes to Kitchener, Ont., as accountant.

C. REID, manager at Smithers, B.C., is appointed manager at Vernon, B.C.

G. W. BETT, manager at Mission City goes to Port Alberni, B.C., as manager.

L. G. CALDER, acting manager at Fort St. branch, Victoria, B.C., goes to Smithers as manager.

E. M. T. MASON, accountant at Bloor and Dovercourt branch, Toronto, goes to King and Spadina branch, Toronto, as accountant.

G. A. HOLTBY, supervisor's department, Regina, is transferred to Winnipeg as assistant manager.

A. B. ROWAN-LEGG, manager at Thorold, Ont., is appointed manager at Galt, Ont.

H. A. WESTERGAARD, manager at Estevan, Sask., and L. M. RICHARDSON, manager at Vernon, B.C., have retired on pension.

Commercial Credit Co. Improves Showing in 1933

From Our Own Correspondent

MONTREAL. — Commercial Credit Co. and subsidiaries, which are engaged in financing installment sales, reported net income from operations in 1933 of $4,087,168. This sum is available for consolidated interest and discount charges after writing off or providing ample reserves for all known losses and doubtful items.

Net income credited to earned surplus for the year, after providing for all prior charges, was $2,951,919, of which $2,021,164 was earned during the last six months. This does not include any profit in the purchase for retirement or otherwise of any of the capital stock of the company, or any dividend.

After payment of dividends of $1,497,680 on the preferred stock, held by the public, there remained $1,452,167 applicable to the common stock outstanding. This was equivalent to $1.52 a share.

Geoffrion and Perodeau Form Brokerage Firm

From Our Own Correspondent

MONTREAL.—Henri Geoffrion and Horace Perodeau, member of the Montreal Stock Exchange, have formed a brokerage firm with offices at 210 Notre Dame St. W., Montreal. The new firm, to be known as Geoffrion and Perodeau, will conduct a general brokerage business in listed stocks.

It is also announced that Tancrede M. Bienvenu will, in the near future, be admitted as a general partner in the new firm.

Record Grain Train

It is estimated that enough grain poured into Lakehead railway and elevator terminals in 1933 to make up a grain train whose engine would be in Montreal and whose caboose would be in West Fort William. Grain cars numbering 125,000 were unloaded, and by rough calculation they would stretch nearly 1,000 miles.

Current Events in Banking World

BANK BRANCHES NUMBERED 3,796 AT END OF 1933

Represents Decline of 3.7 p.c. in Year — 8.5 p.c. in Two Years

SERVICE MAINTAINED

More Branches Eliminated in Ontario — Highest Percentage Decrease Was in West

Canadian banks had a total of 3,796 branches in operation at December 30, 1933, as compared with 3,943 branches at the end of 1932 and 4,151 branches at the end of 1931. This represents a decline of 3.7 per cent in the number of branches in 1933 and 5 per cent in 1932, a total decline of 8.5 per cent in two years. Since December, 1931, the number of branches in Canada has dropped from 3,972 to 3,640, a decline of 8.3 per cent; only one branch has been eliminated in Newfoundland while foreign branches are down from 153 to 131, a drop of 14.3 per cent.

Comparison of the number of branches operated by the banks at the end of the last three years is as follows:

Branches Operated by Canadian Banks, At December 31,

	1933	1932	1931
Ontario	1,293	1,353	1,401
Quebec	1,108	1,132	1,176
Nova Scotia	136	138	138
New Brunswick	99	100	101
Prince Edward Island	28	28	28
Manitoba	196	202	222
Alberta	237	252	278
Saskatchewan	340	360	395
British Columbia	199	209	229
Yukon	4	4	4
Total in Canada	3,640	3,778	3,972
Newfoundland	25	25	26
Elsewhere	131	140	153
Total	3,796	3,943	4,151

The chief reduction in branches has been made, of course, in Western Canada, while branches in the Maritimes remain relatively unchanged in number. While more branches have been eliminated in Ontario than any other province, the percentage decline of 7.7 per cent in two years is slightly under the average drop for all Canada.

Service Still Available

The closing of branches by the banks has not, however, left any centre of population without banking facilities. In the majority of cases it has merely meant the elimination of duplication of banking services which may have been justified when business was active but which has been an economic waste under the conditions existing in the past three years. Where uneconomic duplication existed and arrangements could be made between banks it has not been unusual for one bank to close a branch and transfer the business of the branch to the other bank. In consideration for this the other bank would close a branch at another point transferring the business at that point to its competitor.

During December 11 branches were closed while four were closed on November 30. The Canadian Bank of Commerce closed branches at Abbotsford, B.C.; Arthur, Ont.; Fort Saskatchewan, Alta.; Matsqui, B.C.; and Wellandport, Ont. The Royal Bank closed branches at Biggar, Sask.; Farnham, Que.; Hazenmore, Sask.; and Success, Sask. The Bank of Montreal closed branches at Kinistino, Sask. and Vancouver, B.C. The Banque Canadienne Nationale closed a sub-branch at Les Etroits, Que., the Dominion Bank a branch at New Westminster, B.C., and the Imperial Bank a branch at Old Weston Road and Keele St., Toronto.

The distribution of branches operated by the ten Canadian banks at December 30, 1933, is as follows:

DETAILED STATEMENT OF BRANCHES OF CANADIAN CHARTERED BANKS
At December 30, 1933

Bank:	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Yukon	Nfld.	Elsewhere	Total
Barclays	....	....	....	1	1	....	....	....	....	....	....	....	2
Commerce	7	20	7	81	301	48	89	63	64	2	2	18	692
Dominion	....	....	1	8	99	12	4	4	3	....	....	2	133
Nationale	....	....	....	508	23	9	6	6	....	....	....	1	553
Imperial	....	....	....	3	115	8	38	22	12	....	....	....	198
Montreal	1	14	13	120	228	36	45	64	51	2	6	7	577
Nova Scotia	9	40	37	28	137	7	21	9	6	....	12	28	329
Provinciale	5	....	19	269	24	....	....	....	....	....	....	....	317
Royal	6	62	22	81	261	69	110	66	54	....	5	80	816
Toronto	....	....	....	14	104	12	27	13	9	....	....	....	179
Total	28	136	99	1,108	1,293	196	340	237	199	4	25	131	3,796

New President

A. R. COFFIN
Who succeeds the late Senator John Stanfield as president of the Acadia Trust Co., Truro, N.S.

Barclays Bank Toronto Office To Move April 1

The Toronto branch of Barclay's Bank (Canada) will occupy the present Bankers' Bond Building at 60 King St. West, as of April 1. The interior of the building will be remodelled during March.

Situated but a short distance west of Bay Street, occupation of the new office will bring Barclays into the banking district with the head office of the Bank of Toronto practically across the street and the head office of the Bank of Nova Scotia, the Canadian Bank of Commerce and the Dominion Bank but little farther away. The district head office of the Royal Bank and the Bay Street branch of the Bank of Montreal complete the major banks represented in the area. The Imperial Bank owns land at King and Bay Sts. and has contemplated building a new head office on that site.

Foreign Exchange

RISE of the pound sterling featured foreign exchange in the week ended Feb. 19. Canadian dollars did not respond, but remained largely under the influence of American dollars. The two latter remained slightly under 60 per cent of their old gold values, but sterling rose to 63 per cent, based on the London bullion market.

Firmness in sterling is believed to indicate support for the franc in London. The advance was marked by declining price for gold, tending to lessen the strain on the franc. The French gold standard position has been weakened by withdrawals of billions of francs in gold from Paris. Lowering of the London bullion price would be inclined to reduce this movement, it is thought.

* * *

INCREASED value of Canadian gold exports, and increased exports of liquor are believed to have helped sustain the approximate parity of the Canadian dollar in New York. The strengthening of sterling, in which currency most Canadian products are sold, is also given credit for much of the firmness of the Canadian dollar in New York.

FOREIGN EXCHANGE
New York Funds

	High (Premium)	Low	Last Year High (Premium)	Last Year Low
	%	%		%
Feb. 13	[illegible]	[illegible]	20¼	20⅛
Feb. 14	[illegible]	⅞	20¼	19
Feb. 15	[illegible]	⅞	19[illegible]	18½
Feb. 16	⅞	[illegible]	20⅜	19¼
Feb. 17	¾	[illegible]	20⅝	19⅝
Feb. 19	⅝	½	20¼	19¾

STERLING, FRANCS AND LIRE
Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Feb. 13	5.03½	.0653¼	.0869
Feb. 14	5.03½	.0653½	.0871
Feb. 15	5.06⅛	.0658½	.0870½
Feb. 16	5.09	.0653½	.0872
Feb. 17	5.10	.0652¾	.0864
Feb. 19	5.13½	.0652	.0866

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Feb. 13	5.08	0.0658¼	0.0876
Feb. 14	5.08	0.0658	0.0877
Feb. 15	5.09¾	0.0659	0.0878
Feb. 16	5.13¼	0.0659	0.0879½
Feb. 17	5.13½	0.0658	0.0875
Feb. 19	5.16½	0.0656	0.0872

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Feb. 13	0.3945	0.2332	0.3065
Feb. 14	0.3949	0.2330	0.3061
Feb. 15	0.3954	0.2330	0.3061
Feb. 16	0.3952	0.2334	0.3075
Feb. 17	0.3947	0.2331	0.3096
Feb. 19	0.3957	0.2328	0.3102

Alberta's Coal Reserves

At the present rate of production, the Alberta coal fields will last another 88,000 years, according to Prof. E. S. Moore, of the Toronto University economic geology department, in an address at Peterborough, Ont. Prof. Moore mentioned that Canada produced 90 per cent of the world's nickel and stood second among the nations as a producer of gold.

Now Vice-President

HAROLD F. BETHEL
Managing director of Acadia Trust Co., Truro, N.S., who has been elected vice-president of the company.

Financial Troubles In the West

Montreal Gazette

An attempt was made by Prof. J. A. Maxwell, of Clark University, Massachusetts, recently to identify the causes of the financial crisis which has lately been evident in the western provinces of Canada. His conclusions were set forth in The Financial Post and he drew attention among other things to the policy of providing governmental services for future as well as present needs, which policies the provincial governments pursued and the electors approved. The West had been amazingly prosperous and its people buoyantly optimistic. These provinces were not afraid of experiments that cost money—government ownership and the operation of telephones, of railways, power plants, grain elevators, savings institutions and social welfare enterprises.

The Winnipeg Free Press, while admitting these things, takes occasion to excuse, or, at any rate, to explain, the prodigality in which these provinces indulged. The West was growing rapidly and the expectation was that the growth would continue on a considerable scale; immigration was being encouraged and the war and its aftermath were not foreseen.

It is quite easy to explain how these western provinces worked themselves into the present unfortunate position. There has never been any doubt as to the causes and no restatement of them now can be of value unless for the purpose of enlisting the sympathy of other parts of the Dominion upon which the burden of financial rehabilitation must fall. That sympathy was already assured. There is no reluctance anywhere to come to the assistance of these provinces in whatever way or to whatever extent may be necessary. The only question which has been and is being discussed as a matter yet to be determined is the discovery of a method which will afford adequate protection to those who must provide the resources necessary. In deciding upon such method, and in giving effect to it, the co-operation of the western provinces upon a scale which may be disagreeable to them, is among the possible requisites. It is this point which should be the subject of constructive discussion on the part of those western newspapers which are now engaged in turning over the pages of history.

MONTREAL LOAN PROFITS FOR 1933 UNDER DIVIDENDS

Position Well Maintained in View of Difficulties in Mortgage Field

From Our Own Correspondent

MONTREAL.—Net profits of the Montreal Loan and Mortgage Co. for 1933, after making provision for all expenses, interest on borrowed capital, taxes and contingencies, amounted to $73,324, or $4,676 less than dividends and bonus paid on the capital stock. In the previous year, income was sufficient to cover the dividends and bonus by a small margin.

Conditions in the real estate mortgage field in recent years have been very difficult. All the companies in this business have had to contend with increasing number of defaults on payments of principal and interest. This situation is reflected in Montreal Loan and Mortgage accounts in an increase in the value of real estate held among assets from $8,900 in 1932 to $53,500 in 1933.

Cut Into Surplus

Particulars of the profit and loss account figures follow:

	1933	1932	1931
	$	$	$
*Profits	73,324	79,640	88,109
†Divids.	78,000	78,000	78,000
Surplus	§4,676	1,640	10,109
Prev. surp.	47,378	45,737	35,628
Balance	42,702	47,377	45,737
‡Real Estate deprec.	10,384	......	......
P. & L. bal.	32,318	47,377	45,737

*After deducting interest on borrowed capital, expenses of management, together with Dominion income tax, provincial income tax and other taxes, and making provision for contingencies.

† Four quarterly dividends of 3 per cent and a bonus of 1 per cent.

‡ Provision for depreciation of real estate taken over by company.

§ Deficit.

Mortgage Values Down

Assets of the company at the end of last year had a book value of $2,123,132. This compares with $2,140,543. Mortgages on real estate are shown at $2,061,928, or a decline of about $70,000 during the year. On the other hand real estate held by the company has increased, as already pointed out, from $8,900 to $53,500, while cash on hand is higher at $7,703.

Liabilities to the public remain about the same. Special deposits at $186,855 compare with $195,348. No change has taken place in the issue of sterling debentures which are carried on the books at $48,666. Currency debentures issued by the company have increased from $304,400 to $310,050. Debenture interest reserve is practically the same as a year ago while sundry items show a minor gain at $14,795.

Liabilities to the shareholders include capital stock and reserve funds of $600,000 and $900,000, which show no change from a year ago. Profit and loss account surplus has declined from $47,377 to $32,348, while dividends payable amount to $24,000 or the same as reported at the end of 1932.

Earnings Record

Year	Paid-up Capital	Net Profits	Div. Rate	*Rate Earned per sh.
	$	$		$
1928	600,000	87,056	3+.25	3.62
1929	600,000	87,526	3+.25	3.65
1930	600,000	87,993	3+.25	3.67
1931	600,000	88,109	3+.25	3.67
1932	600,000	79,641	3+.25	3.32
1933	600,000	73,324	3+.25	3.05

Year	Total Assets	Reserve Funds	Liab. to Public
	$	$	$
1928	2,008,487	900,000	468,378
1929	2,066,061	900,000	516,426
1920	2,164,541	900,000	604,913
1931	2,127,910	900,000	558,173
1932	2,140,544	900,000	569,166
1933	2,123,132	900,000	566,813

ACADIA TRUST CO. ADDS TO RESERVE

Earned 23.45 p.c. on Capital of $200,000 in 1933

Acadia Trust Co., Truro, N.S., had net profit of $46,902 in the year ended November 30, 1933, after providing reserve of $7,000 for income tax. This represents a return of 23.45 per cent on paid up capital. Reserve of $500,000 at November 30, has since been increased to $600,000 by transfering $100,000 from profit and loss account, by action taken at the annual meeting held on February 13. It is the policy of the directors to retain a dividend rate of $10 per share until reserve is built up to $800,000.

The statement of the company segregates deposits in guaranteed account for the first time. These deposits total $898,752 while estates, trusts and agency funds total $5,152,876. Included among assets held against guaranteed funds there is cash of $14,471; bonds, debentures and stocks with book value of $848,293 and mortgages of $17,700. Assets in capital account include government and provincial bonds at $584,959; municipal bonds, $125,194; mortgages, $109,354 and cash at $4,850.

Officers and directors of the company as elected at the recent annual meeting are as follows: A. R. Coffin, Truro, president; Harold F. Bethel, vice-pres. and managing director; Charles E. Stanfield, Truro; F. L. Milner, K.C., Amherst; J. W. MacLeod, New Glasgow; C. B. Smith, K.C., Halifax; H. M. Chase, K.C., Kentville; Hon. J. Fred Fraser, Halifax; Hon. E. M. McDonald, P.C., K.C., Pictou; Dr. J. L. McIsaac, Antigonish.

Record of the company for the past six years is as follows:

Earnings Record

Year	Paid-up Capital	Net Profits	Div. Rate	Rate Earned
	$	$	$	
1928	200,000	41,067	8	20.53
1929	200,000	44,583	8	22.29
1930	200,000	48,324	8	24.16
1931	200,000	55,619	10	27.80
1932	200,000	55,239	10	27.61
1933	200,000	*46,902	10	23.45

*After deducting income tax reserve of $7,000.

Year	Guar. Account	Estates under Adminis.	Total Reserves
	$	$	$
1928	......	2,299,565	400,000
1929	......	2,930,786	400,000
1930	......	3,714,517	400,000
1931	......	5,034,008	500,000
1932	......	5,783,349	500,000
1933	898,752	5,152,876	500,000

MASS PRODUCTION U.S., U.K. CONCERNS HIT CAN. PRODUCER

Canadian Companies Find Prices Cut on Imported Goods

From Our Own Correspondent

OTTAWA—Recent applications to the Tariff Board reveal that Canadian manufacturers are suffering severely from competition with mass production units in the United States and, to a lesser extent, in Great Britain.

Several manufacturers are seeking tariff increases in order to curb the price cutting activities of large competitors and in the case of one industry—automobile panels—it is alleged that mass production imports have driven all but one Canadian producer into bankruptcy.

Branch Plant Problem

The applications disclose that the effects of this competition are being felt in different ways.

One of the important phases of it is disclosed as a corollory of our branch plant operations. It appears that quite a few branch plants are placing orders for various kinds of material through the parent factories in the United States. These parent companies, owing to their larger demands, are enabled to obtain low prices from manufacturers and they are passing at least a part of this advantage along to their Canadian subsidiaries. The Canadian manufacturers who formerly served these particular needs, however, are being hurt.

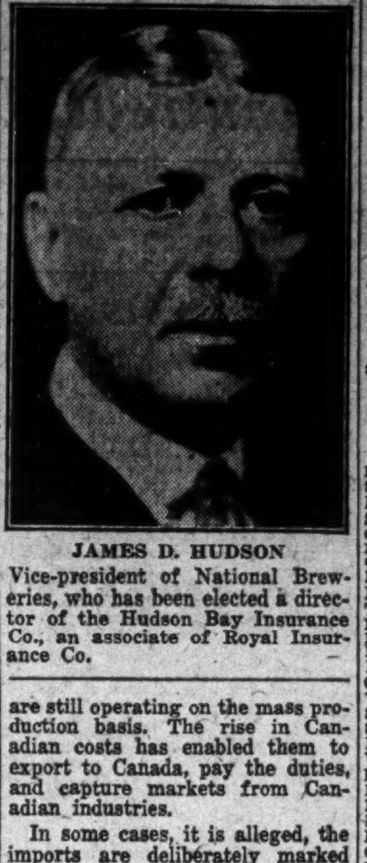
Illegal Marking

Another phase of the competition is disclosed as a form of dumping. The narrowing of the Canadian market in many fields has curtailed production and made manufacturing costs higher. Meantime United States and British factories are still operating on the mass production basis. The rise in Canadian costs has enabled them to export to Canada, pay the duties, and capture markets from Canadian industries.

In some cases, it is alleged, the imports are deliberately marked as being of poorer quality than is the case. But apart from this practice which is illegal under our Customs Act, it is plain that mass producers of foreign countries are making things very difficut for some Canadian manufacturers.

In the applications to the Tariff Board last week this situation is reported in the case of decalcomania transfers, automobile panels and building tiles.

Insurance Director



JAMES D. HUDSON
Vice-president of National Breweries, who has been elected a director of the Hudson Bay Insurance Co., an associate of Royal Insurance Co.

Tariff Board Hearings

Editor's Note—During the course of the hearings before the Tariff Board, The Financial Post will summarize proceedings weekly for the benefit of its readers.

Panels for Automobiles

Sommerville Paper Boxes, of London, Ont., has applied for higher tariff on automobile panels. The present rates are: Pref. 15; Int. 25; Gen. 35.

There are two raw materials, fibre board and lacquers, of which the latter is the more important. Fibre board is dutiable at: Pref. 15; Int. 25; Gen. 25. Lacquer carries a specific duty of $1.25 per gal. under all schedules which, it is stated, is equivalent to 80 per cent.

The application, which has been prepared by M. J. Patton, Tariff Consultant, at Ottawa, points out that the tariff on the raw material is greater than on the finished product. It is recommended that the ad valorem rates be unchanged but that specific duties be added as follows: Pref. none; Int. 1¼ cents lb.; Gen. 1⅛ cents lb. The applicants declare that mass production in the U. S. has forced prices down to a point where panel making in Canada has been unprofitable for the past three years, only one Canadian company being still in business.

Decalcomania

Decalcomania are printed matter manufactured by lithographic process usually used for the transference of designs, lettering, etc., from the lithographed page to various articles—wood, glass, etc. Manufacturing materials used are special decalcomania paper, inks, pigments and oil colors. There are several manufacturers in Canada all located at Toronto. Largest, Canadian Decalcomania Co., with an investment of some $250,000, has applied for an increase in tariff.

Prevailing rates are: Pref. 15; Int. 22½; Gen. 22½. The application seeks an increase in the intermediate and general rates to the same level as is now imposed on imported advertising matter from the U. S., or 35 per cent. The applicants declare they cannot compete with mass production in U. S. A.

Starch versus Dextrine

Anthes and Sons of Montreal has filed a brief requesting a change in the classification of dextrine. Under the tariff, dextrine is rated: Pref. 5; Int. 7½; Gen. 10. But the type of dextrine imported by Anthes and Sons from Holland is sold to textile mills and has been classified as starch. The tariff on starch is a specific and on a poundage basis: Pref. 1 cent; Int. 2 cents; Gen. 2 cents. The application requests that the Holland product be permitted entry as dextrine and not as starch.

Nicotine Sulphate

Chemicals Ltd., of Montreal, seeks tariff protection on nicotine sulphate, a disinfectant used in spraying against insect pests. Present tariff is free under all schedules and the company desires: Pref. free; Int. 20; Gen. 25.

The Canadian market uses about 75 tons per year. About 68 tons were imported in 1932 chiefly from the United Kingdom, the United States and Germany. In addition to the applicants, this disinfectant is produced by the Hyatt Chemical Co., of St. Catharines, Ont. The applicants have erected a modern plant at Montreal capable of producing 150 tons per year. The raw material is damaged tobacco leaf.

Zippers

Hookless fasteners are a device of recent origin which have never received individual treatment in the tariff. Two manufacturers, Lightning Fastener Co. Ltd., of St. Catharines, and Colonial Fastener Co., Ltd., of Montreal, have applied for higher tariff.

The basket tariff item covering fasteners provides duties of: Pref. 20; Int. 27½; Gen. 30. In 1907 Parliament withdrew one type of article from the basket item (purses, chatelaine bags or reticules) and imposed lower duties of: Pref. free; Int. 17½; Gen. 20.

Invented in 1917

Both these items existed many years before zippers were invented (1917) and before they came into general use (1923). It is pointed out by the applicants that zippers were invented by a Canadian, Gideon Sundback, president of Lightning Fasteners and that his patents are used by many foreign manufacturers who do not compete with this Canadian company in our market. Other foreign producers, however, do not use the Sundback patents and they are now producing at very low costs and are underselling the Canadian product.

Lightning Fasteners makes zippers at a cost of 2 cents per inch, plus 5 cents per fastener to cover the cost of the slider. But zippers are being offered in Canada at from .9 of a cent to 1¾ cents per inch. Japanese zippers for example, are being offered at one third of the cost of the St. Catharines plant.

Seek New Item

Lightning Fasteners declare that zippers should be withdrawn from the two tariff items mentioned and made dutiable under a new item, as follows: Pref. 30, plus ½ cent per inch; Int. 35 plus ¾ cents per inch; Gen. 40 plus 1 cent per inch. Colonial Fastener Co., asks that zippers be removed from the item enacted in 1907 and placed in the basket item.

Earthenware Tiles

Frontenac Floor and Wall Tile Co., Ltd., of Kingston, Ont., asks for higher tariff on building tiles. Present tariff is: Drain and sewer pipes, chimney linings, tops, earthenware tiles, etc.: Pref. 25; Int. 32½; Gen. 35. Earthenware tiles for roofing: Pref. free; Int. 32½; Gen. 35. Mosaic flooring: Pref. 20; Int. 27½; Gen. 30.

Under the application the first two items would be left unchanged save that earthenware tiles would be removed from the first. A new item would be sent up covering tiles or block of stone or of earthenware or other ceramic materials for floor or walls:

Glazed, per square foot: Pref. 7 cents; Int. 12 cents; Gen. 12 cents.

Unglazed, per square foot: Pref. 6 cents; Int. 12c; Gen. 12c.

The application declares that foreign producers notably British, quote excessively low prices in Canada and seek to list their exports as being of poorer quality than actually is the case. Fair factory prices at Kingston are 32 cents per foot for the best and 24 cents per foot for ordinary commercial tiles. But foreign competition has driven the price or ordinary tile to 22 cents per foot which is below cost of production at Kingston.

Weekly Bank Clearings

	Feb. 15, 1934	Change year ago	Feb. 8 1934
	$	%	$
Halifax	1,625,773	+ 9.9	2,080,453
Saint John	1,405,621	+ 1.3	1,543,171
Moncton	491,816	+ 8.5	618,091
Sherbrooke	365,567	—16.2	524,408
Quebec	2,493,644	—19.0	4,179,191
Montreal	63,284,014	— 4.9	87,193,712
Ottawa	3,158,474	+ 4.8	4,386,535
Kingston	383,462	— 9.2	508,236
Peterborough	515,543	+24.4	572,871
Toronto	88,154,518	+ 8.4	97,134,464
Hamilton	3,007,811	+11.8	4,000,075
Kitchener	841,643	+18.4	952,244
Brantford	611,065	+ 0.1	730,162
London	1,986,352	—10.8	2,419,190
Chatham	343,589	—11.6	489,185
Windsor	1,733,141	+17.1	2,164,691
Sarnia	268,797	+ 5.7	388,567
Sudbury	583,110	+33.3	505,012
Ft. William	427,168	—11.4	612,770
Winnipeg	22,798,858	+ 2.6	28,481,358
Brandon	222,995	+ 3.6	265,706
Regina	2,052,324	+14.5	2,531,587
Moose Jaw	354,669	+ 9.8	488,721
Pr. Albert	241,512	+69.6	255,358
Edmonton	3,118,613	+42.5	3,934,229
Calgary	3,531,021	— 8.5	4,654,523
Medicine Hat	143,242	+24.4	201,433
Lethbridge	323,117	+31.2	355,156
N. W'minster	394,704	+30.1	447,788
Vancouver	12,408,494	+13.9	14,297,780
Victoria	1,317,120	+26.5	1,607,943

British Cattle Quota Hurts Canadian Breeders

Possibility of increasing Canada's export trade in live cattle to the United Kingdom is eliminated by a recent ruling of British parliament restricting exports from February to June to 20,500 head, or the same number as were exported in the first half of 1933. The restriction is seen as a blow to the Western cattle industry which had hoped to raise exports to around the 50,000 mark.

The Imperial Conference Agreement affecting cattle, only provided for the lifting of restrictions which made export to the United Kingdom impossible, so that the imposition of a quota does not in any way go against the terms of the treaty.

It is understood that failure of the domestic price of cattle to rise to a level which provided a good return to British farmers is responsible for the quota.

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Today, with half a century of "service with security" completed, the Portage la Prairie Mutual stands a modern insurance institution, with an unblemished record, assets approaching a million and a half dollars, and branches throughout the country to serve its ever-widening field. The FIFTIETH Annual Report reveals—

Total Assets - - - $1,464,147.99
Surplus of Cash Assets over Liabilities - - $ 365,139.77
Contingent Assets - - - $ 588,167.82

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STANDARD CLAY EARNINGS DROP TO LOWER LEVEL

For Second Year Profits Are Less Than Bond Interest

From Our Own Correspondent

MONTREAL.—With plants closed down for more than three-quarters of the time in the past year, the financial statement of Standard Clay Products for 1933 shows an operating profit of only $7,857; the smallest reported in several years, and comparing with $19,468 in 1932 and $201,040 in 1931.

Owing to the depression in the building trades, the volume of business available to the company was very limited. Expenses were curtailed in every way possible, salaries of employees being reduced, while the directors served without remuneration. Despite these efforts, however, profits were insufficient to take care of bond interest, while the amount written off for depreciation was only a fraction of the charge in former years.

Draw on Reserves

Particulars of the income account follow:

	1933	1932	1931
Oper. prof.	$ 7,857	$19,468	$201,040
Bond int.	45,000	45,000	45,000
Deprec.	8,985	34,002	62,010
Taxes	.....	.....	10,000
Net prof.	*$46,127	*$59,534	$84,029
Prev. bal.	98,483	190,058	121,029
Total	$52,355	$130,524	$205,058
Divids.	.....	30,000	15,000
Balance	$52,355	$100,524	$190,058
Tax adjust.	.....	2,041	.....
P. & L. bal.	$52,355	$98,483	$190,058

*Deficit.

Working Capital Position

	1933	1932	1931
Curr. assets	$315,062	$383,592	$503,779
Curr. liabs.	11,418	10,511	36,773
Work. cap.	$303,644	$373,081	$467,002

Working Capital Ample

While the excess of expenditures over income cut into reserves, the company was able to maintain its working capital position on a fairly satisfactory basis. At the end of last year assets totalled $1,271,674 compared with $1,345,495 at the close of the previous year. In each year net current assets amounted to 25 per cent of the total.

The company's funded debt now stands at $457,000, a reduction of $28,600 during the year. Of the original issue of $750,000, $292,100 of the bonds have been redeemed to date.

Current liabilities are limited, while the issued common stock remains unchanged. Surplus now stands at $52,355 compared with $98,495 a year ago.

Bell Telephone Income on Investments Satisfactory

From Our Own Correspondent

MONTREAL.—The fact that the Bell Telephone Co. of Canada's financial statement for 1933 shows investment securities carried at a cost of $14,113,000, from which a net income of $375,905 was received, has been the target of criticism by a Toronto paper. It is pointed out that income on these investment securities averages less than 2¾ per cent, an amount which is less than would have been received had the money been invested in Dominion Government securities. Further the point is made that "had the company received even the average return on bonds guaranteed by the Canadian Government, there would have been virtually no deficit in income available to pay the company's 6 per cent dividend."

This criticism is based upon incomplete knowledge. The cost value of the company's investments is $14,113,397, but this total includes some investments which have not been made for the purpose of income. These investments are part of the management's general policy and are essential to the business. Further, the figure of $375,905 is a net income. The gross figure is appreciably larger. From the latter was deducted non-operating taxes and other items of expense so that the net income of nearly 3 per cent on the total investment is regarded as a satisfactory and reasonable return.

B. C. Electric Clearing For Bridge River Power

From Our Own Correspondent

VANCOUVER.—B. C. Electric Railway (B. C. Power) is going ahead with its plans for supplying power to the mines of the Bridge River district. A contract for clearing a forty-mile strip for the transmission lines has been awarded, and progress is reported on other details of the project.

B. C. Electric has started dismantling the hydro-electric unit at Jordan River, Vancouver Island, part of which will be used in the Bridge River job.

STOCKS TO HOLD

Huge government spending plus a big credit inflation plus the continued up-trend in business practically insures higher prices for well selected stocks. THE FINANCIAL WORLD, therefore, suggests retention of numerous securities recommended months ago at much less than current prices. Accept our introductory trial offer below and receive several lists of attractive stocks with long pull profit possibilities.

WHAT'S AHEAD FOR INVESTORS

On the basis of the reduced dollar and the huge credit expansion possibilities created by it, it is not unreasonable to expect numerous stocks to reach their 1929 levels in the next two or three years.

The tremendous underconsumption of goods during the past four years lays the foundation for several years of greater-than-average business activity. Furthermore, many things still in use have become obsolete as a result of new inventions, changes in design, etc. This, together with a substantial increase in adult population in the past five years, will contribute to speeding industrial activities.

In order that you may most effectively follow a sound but elastic investment policy in the next two years, it is essential that you keep in close touch with the financial and business situation in the U. S. through a reliable and unbiased authority — one that has no axe to grind.

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(b) Latest issue of "Independent Appraisals of Listed Stocks". (This 52-page book shows capitalization, working capital ratio, dividends, earnings comparisons, our ratings, etc., on 1,300 stocks.)
(c) "10 Promising Stocks For 1934"; "How To Safeguard Your Capital Against Dollar Devaluation"; "A Notable Stock Value"; "An Overlooked Stock" and "Stocks Behind The Market".
(d) Our pamphlet "Scuttling 10,000,000 Utility Investors" also "300 Companies And Their Financial Connections".

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING FEBRUARY 19

Range 1934 High	Low	Divd. Rate in $	Yield in % Feb. 17		Sales	Close Feb. 12 (or last)	Week Ending —Feb. 19— High	Low	Close
				A					
2.50	.90	•	...	Abitibi	5250	1.80	2.25	1.50	1.85
10	4½	•	...	Do. pref. 6%	355	7½	10	8	8
x80	80	•	...	Acme F. D'y p	....	..	..	..	..
8	6	20c	...	Agnew Surp.	920	7	7¾	7	7½
80	72	7	8.7	Do. pref.	10	80	80	80	80
7	3	•	...	Alta. Pac. Gr.	130	5	5	4	4
23	16	•	...	Do. pref.	10	21	20½	20½	20½
2¼	2¼	•	...	Amal. Electric	....	2¼	..	..	..
10¼	10	•	...	Do. pref.	....	10½	..	..	..
x3½	3½	•	...	Anglo. N. Hold.	....	..	..	..	..
$1.00	.15	•	...	Asbestos	....	1.00	..	..	..
$2	½	•	...	Do. pref.	....	2	..	..	..
13	9½	25c	...	Assoc. Brew.	165	12	12½	12	12½
90½	85	7	7.8	Do. pref.	3	90	90	90	90
4½	4½	•	...	Assoc. Can.	....	4½	..	..	..
				B					
145	138	10	6.9	Bk. Can. Nat.	5	143	145	141	145
200	167	8	4.1	Bk. Montreal	785	195	200	194½	197
278	267½	12	4.4	Bk. N. Scotia	75	274	275	273	274
199	161½	10	5.1	Bk. Toronto	90	198	199	195	199
16½	16¼	•	...	Barcelona	25	16½	16⅞	16⅞	16½
6¼	3	•	...	Bathurst Pr.	3615	5	6¼	4⅞	5
3	1½	•	...	Do. (B)	220	2	3	2	2
†26	26	•	...	Bawlf Grain	....	..	..	..	..
9½	7	•	...	Do. pref.	....	9½	..	..	..
4	3¼	•	...	Beath & Sons	....	3½	..	..	..
10	6¾	•	...	Beatty Bros. A	....	9⅜	..	..	..
82	69	6	7.3	Do. pref.	....	82	..	..	..
9⅞	3⅛	•	...	Beauharnois	23308	7½	9⅛	7⅝	8⅛
73	65	4	5.5	Belding Cort.	10	68	73	73	73
§90	85½	7	...	Do. pref.	....	88½	..	..	..
118	110	6	5.2	Bell Telephone	656	115½	117	115	115½
8	7½	50c	6.2	Biltmore Hats	65	7¾	8	7½	7½
85	85	7	8.2	Do. pref.	....	85	..	..	..
2	2	•	...	Bissell, T. E.	....	2	..	..	..
29	28	•	...	Do. pref.	....	28	..	..	..
5	4	•	...	Blue Ribbon	5	4½	4	4	4
30	23	2	6.9	Do. pref.	21	27	29½	29	29
25	22	2	8.3	Brant. Cd. pf.	40	25	24	24	24
14⅜	10⅞	•	...	Brazilian Tr.	8538	13¼	13⅝	13⅛	13¼
2.95	2.50	10c	...	Brew. & Distil.	10463	2.55	2.65	2.50	2.65
10⅜	5⅝	•	...	Brewing Corp.	6552	8¾	9	8⅜	8⅝
24¼	15¼	•	...	Do. pref.	2450	20⅜	22⅛	20½	21¼
10	10	10c	...	Bright, T. G. c	....	10	..	..	..
14⅜	12⅞	80c	5.5	Brit. Amer. Oil	5940	14⅜	14⅜	14½	14⅜
3⅜	2¼	•	...	B. C. Packers	3007	3½	3⅜	3¼	3¼
13	10	•	...	Do. pref.	30	12	12	12	12
28½	22½	1.50	5.4	B. C. Power A	1391	27½	28½	27	28½
6⅞	4½	•	...	Do. (B)	3610	5½	6⅛	5½	6¼
19⅞	16	•	...	Bruck S. Mills	4295	18⅛	19⅞	17½	19
23½	16½	1	4.2	Building Prod.	872	23	23½	22⅞	23
32¼	27	2	6.3	Burt, F. N.	220	32	32	31	31½
				C					
x125	125	6	...	Calgary Pr.					
5⅛	3	•	...	Canada Bread	505	4	4	3½	4
50	41	•	...	Do. pref. A	....	41	..	..	..
14½	8	•	...	Do. pref. B	....	10	..	..	..
11	7¾	•	...	Canada Bud	1346	9½	9¼	8½	8¾
12	6⅞	•	...	Canada Cement	8962	10⅞	11¼	10⅞	11
53	32	•	...	Do. pref.	1549	49	51½	46½	50½
29½	24¼	1	3.8	Canada Dry	2904	26	27	25	25⅞
4½	4	•	...	Can. Forg. A.	....	4½	..	..	..
4	4	•	...	Do. (B)	....	4	..	..	..
x15	15	•	...	Canada Iron	....	..	..	..	..

Range 1934 High	Low	Divd. Rate in $	Yield in % Feb. 17		Sales	Close Feb. 12 (or last)	Week Ending —Feb. 19— High	Low	Close
90	70	6	6.8	Huron & E. M.	4	90	88	88	88
15	14½	•	...	Do. 20% pd.	25	..	15	14½	15
8	5½	•	...	Hydro Electric	....	8	..	..	..
				I					
180	141	10	5.7	Imperial Bank	43	180	179	174	175
14¼	12½	50c	3.4	Imperial Oil	18724	13½	14¼	13½	14¼
12¾	10¾	52½c	4.3	Imperial Tob.	3233	12	12½	12	12½
15	15	•	...	Inter. City Bak.	....	15	..	..	..
§5½	5¼	1	...	Inter'c Coal	....	5½	..	..	..
b9⅞	4¼	•	...	Int. Hyd. E. A.	3720	7⅞	8½	7⅞	8
105	99	7	6.7	Inter. Mill. pf.	140	105	105	103¾	103¾
84	84	6	7.2	Do. Series A	....	84	..	..	..
28.90	21.15	10c	...	Inter. Nickel	37416	22.45	23.65	22.50	23.15
3	3	•	...	Inter. Paints	202	3	3	3	3
b6	4	•	...	Int. P & P A	507	4⅞	5⅛	4¼	5¼
b8⅞	1½	•	...	Do. (B)	202	2⅞	3	2½	3
b2⅞	1½	•	...	Do. (C)	3320	2¼	2⅝	2	2¼
b18⅞	10¼	•	...	Do. pref.	3107	14½	18	14½	16½
23⅞	19⅞	1	4.3	Inter. Pete.	5752	22½	23⅜	22½	22⅞
3	2	•	...	Inter. Power	25	3	3	3	3
19	14	•	...	Do. pref.	50	18½	18	18	18
6¼	3	•	...	Int. Util. (A)	170	6	6	5½	5¾
1.50	.80	•	...	Do. (B)	4955	1.25	1.30	1.25	1.25
				J					
†40	40	1	...	Jam. Pub. Ser.	....	..	..	..	..
98	97	7	7.2	Do. pref.	5	98	98	98	98
				K					
5½	4½	•	...	Kelvinator	155	5¼	5½	5¼	5½
80	80	7	8.7	Do. pref.	....	80	..	..	..
				L					
15	12½	•	...	Lake of Woods	1180	14¼	14⅜	13½	14½
72	56	•	...	Do. pref.	10	70	70	70	70
80	80	6	7.5	Landed Bank	....	80	..	..	..
2	1	•	...	Langley's	30	..	2	1	2
28	25	•	...	Do. pref.	10	25	28	28	28
51	47½	3	6	Laura Secord	310	50	51	49½	50
3	3	•	...	Lindsay, C. W.	3	..	3	3	3
36	35	•	...	Do. pref.	8	35	35	35	35
15⅞	14½	80c	5.2	Loblaw (A)	2103	15⅛	15½	15	15¼
15½	13½	80c	5.3	Do. (B)	240	14⅜	15	14	14½

* Quotations for 1933. † Quotations for 1932. ‡ Quotations for 1931. § Quotations for 1930. x New stock quotations. b See "Unlisted Stocks" also. ▲ On account of arrears, also extra of 87½c. paid Jan. 31. ■ Plus $3.50 on arrears payable Feb. 15.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
February 20, 1934

Industrial Bonds—		February 20 Bid	Asked	Feb. 13 Bid
Abitibi P. & P. 5% 1953	F	34.50	35.50	32.50
Abitibi P. & P. C.O.D.	F	30.00	31.00	29.00
Acadia Sugar 6% 1946		97.00	100.00	96.50
Alta. Pacific Grain 6% 1946		75.00	....	73.00
American Sales Book 6% 1939		97.00	....	97.00
Asbestos Corp. 6% 1941	F	78.00	....	73.00
B. A. Oil 5% 1945		99.50	101.00	99.50
B. C. Pulp 6% 1950	F	58.00	....	52.00
B. C. Pulp 7% 1950	F	20.00	....	18.00
Burns 5½% 1948	F	41.00	43.00	38.00
Can. Biscuit 6½% 1946	F	24.00	26.00	20.00
Can. Bread 6% 1941		87.00	90.00	86.00
Can. Cement 5½% 1947		88.00	92.00	88.00
Can. Steamship 6% 1941	F	24.00	25.00	23.00
Can. Canners 6% 1950		98.50	101.00	98.50
Can. Copper Refin. 6% 1945		105.00	....	105.50
Can. Cottons 5% 1940		96.00	....	96.00
Can. Goodrich Income 8/43	F	30.00	....	30.00
Can. Rail & Harbor 6½/51	F	26.00	28.00	26.00
Can. Vickers 6% 1947		62.00	64.00	60.00
Cons. Invest. 4½% 1959	F	65.00	70.00	60.00
Davies, Wm. 6% 1942		98.50	101.00	98.50
Debenture & Sec. 4% 1936		70.00	....	70.00
Dom. Tar & Chemical 6% 1949		80.00	83.00	80.00
Dom. Telegraph 5½% 1978 A		80.00	85.00	80.00
Dom. Textile 6% 1949		106.00	....	106.00
Dom. Woollens 6% 1948	F	35.00	36.50	32.00
Donnacona Paper 5½% 1948	F	42.00	44.00	40.00
Eastern Dairies 6% 1949		64.00	66.00	60.00
Famous Players 6% 1948		88.00	90.00	87.50
Federal Grain 6% 1949		74.00	76.00	72.00
Firestone Tire 7% 1937		96.00	100.00	96.00
Fraser Co. 6% 1950	F	40.00	43.00	38.00
Galt Brass 7½% 1941	F	25.00	35.00	25.00
Gen. Steel Wares 6% 1952		73.00	75.00	70.00
Goodyear Cotton 6% 1949		103.00	104.00	103.00
Great Lakes 6% 1950	F	41.50	43.50	40.00
Gypsum, Lime & Alab. 5½% 1948		71.50	73.50	71.00
Hamilton By-Prod. 7% 1943		95.00	97.00	94.00
Harris Abattoir 6% 1947		102.50	103.00	102.50
Howard Smith 5½% 1953		89.00	92.00	89.00
Lake St. John 6½% 1947	F	46.00	48.00	47.00
Lake St. John 6½% 1942	F	15.00	....	16.00
Loew's Toronto 6% Serial		97.00	....	97.00
Maple Leaf Milling 5½% 1949		42.00	44.00	44.00
Massey-Harris 5% 1947		76.00	77.50	77.00
Matthews Steamship 6% 1942	F	26.00	....	26.00
McColl-Frontenac 6% 1949		96.00	98.00	96.00
McKinnon Industries 6½% 1945		97.00	....	97.00
Mercury Mills 5½% 1953		60.00	....	58.00
Minn. & Ont. 6% Serial	F	18.00	20.00	18.00
Price Bros. 6% 1943	F	86.50	88.00	84.00
Provincial Paper 5½% 1947		91.25	93.00	90.00
Restigouche 6% 1948	F	61.00	63.00	61.00
Simpsons Ltd. 6% 1949		92.00	95.00	91.50
Steel of Canada 6% 1940		106.00	....	106.00
Stop & Shop 6% 1947		80.00	....	80.00
Toronto Carpet 6% 1944		90.00	....	90.00
United Corpns 5% 1953	F	73.00	79.00	70.00
United Gas & Fuel 5½% 1948		71.00	73.00	66.00
United Grain Growers 5% 1948		76.00	78.00	77.00
United Grain Growers 5½% 1949		80.00	....	80.00
Wabasso Cotton 7% 1942		80.00	....	70.00
Public Utility Bonds—				
Bell Telephone 5% 1955		103.00	104.50	102.50
B. C. Power 5½% 1960		97.00	99.00	96.00
B. C. Telephone 5% 1960		98.50	100.00	98.00
Calgary Power 5% 1960		89.50	91.00	89.00
Can. Northern Pwr. 5% 1953		89.00	91.00	86.00
Duke-Price 6% 1966		89.25	91.00	88.00
French Natl. Mail SS 6/52		130.00	....	130.00
Gatineau Pwr. 6% 1941 A		83.50	84.50	80.00
Ganiteau Pwr. 5% 1956		88.00	89.00	82.25
Maclaren Quebec 5½% 1961		91.50	92.50	90.00
Manitoba Power 5½% 1951		51.00	53.00	48.00
Montreal LH&P 5% 1970		106.00	108.00	105.00
Montreal Tram. 5% 1941 July		97.00	99.00	97.00
Northwest. Utilities 7/38		98.00	101.00	98.00
Ottawa Valley Pwr. 5½% 1970		102.00	103.00	102.00
Quebec Power 5% 1968		92.00	93.50	91.50
Rio Tramways 5% 1935		102.00	104.00	102.00
Shawinigan W. & P. 5% 1970		93.50	94.50	93.00
Shawinigan W. & P. 6% 1937		99.00	100.00	98.00
Southern Can. Pwr. 5% 1955		99.50	100.00	99.00
West Kootenay Pwr. 5% 1956		100.50	102.00	100.50
Realty Bonds—				
Albert Bay 6½% 1942		56.00	60.00	55.00
Balfour Bldg. 6% 1943		45.00	....	44.00
Bloor St. George 7% 1946	F	25.00	....	35.00
Clarendon Apts. 7% 1946	F	28.00	....	28.00
Clarendon Properties 7/44	F	30.00	....	26.00
Dominion Square 6% 1948	F	52.00	55.00	50.00
Eaton Realty 5% 1949		92.50	94.00	92.50
Godfrey Realty 6% 1942	F	35.00	37.00	35.00
General Brock Hotel 6/48	F	28.00	31.00	26.00
London Realty 6½% 1950	F	64.00	67.00	51.00
Lord Nelson Hotel 4% 1947		54.00	57.00	47.00
Mayor Bldg. 6½% 1942		35.00	....	35.00
Metropolitan Bldg. 7% 1944		90.00	93.00	90.00
National Realty 7% 1945		25.00	29.00	25.00
Northern Ont. Bldg. 6½% 1939		80.00	....	80.00
Ontario Bldg. 6½% 1943	F	40.00	43.00	35.00
Richmond Bay 6½% 1947		73.00	76.00	73.00
York Bldg. 6% 1948		70.00	....	70.00
Government, Provincial & Railway—				
C. N. R. 4½% 1957 Dom. Gtd.		101.00	102.00	99.50
C. N. R. 5% 1969 Dom. Gtd.		108.00	109.50	107.00
C. P. R. 4½% 1944		....	89.50	88.50
C. P. R. 6% 1942		109.00	111.00	107.00
Dom. of Can. 5% 1936		103.25	104.25	102.50
Dom. of Can. 5% 1941		105.00	106.00	104.00
G. T. P. 3% 1962 Dom. Gtd.		85.50	86.50	85.50
G. T. P. 4% 1962 Dom. Gtd.		96.50	97.50	96.50
Ont. Hydro 3½% 1952 Ont. Gtd.		93.50	94.50	92.25
Ont. Hydro 4% 1957 Ont. Gtd.		94.25	95.50	93.50
Prov. of N. B. 5½% 1950		105.00	106.00	104.50
Prov. of Ont. 5½% 1946		108.00	109.00	107.00
Prov. of Ont. 4½% 1944		103.00	104.00	102.00
Prov. of Ont. 5% 1948		104.00	105.00	103.00

F—Traded without accrued interest.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.
February 20, 1934

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Apr.	88.00	5.37
Alberta	5	1 July, 1943	1 July	95.00	5.69
Alberta	6	1 Mar., 1947	1 Mar.	101.00	5.88
*British Columbia	4½	1 Oct., 1953	1 Apr.	87.00	5.59
*British Columbia	5	15 Jan., 1948	15 July	94.00	5.62
British Columbia	6	15 Feb., 1947	15 Aug.	101.00	5.89
Manitoba	4	1 July, 1947	1 July	84.00	5.72
*Manitoba	5	2 Dec., 1959	2 June	94.00	5.43
Manitoba	6	1 Apr., 1947	1 Apr.	101.00	5.89
*New Brunswick	4	1 June, 1948	1 June	94.00	4.57
*New Brunswick	4¾	15 June, 1936	15 June	101.00	4.30
New Brunswick	5½	15 May, 1950	15 May	106.00	4.96
*Nova Scotia	4½	15 Nov., 1948	15 May	98.50	4.64
Nova Scotia	5	1 May, 1943	1 May	101.50	4.80
*Ontario	4½	1 Sept., 1944	1 Mar	104.00	3.54
Ontario	5	15 Oct., 1948	15 Apr.	105.00	4.54
Ontario	5½	1 Feb., 1947	1 Aug.	109.00	4.57
P. E. I.	4	1 Apr., 1939	1 Apr.	98.15	4.40
P. E. I.	6	1 May, 1947	1 May	108.70	5.10
*Quebec	4¼	1 May, 1961	1 May	98.00	4.37
*Saskatchewan	4½	1 Sept., 1955	1 Mar.	84.00	5.80
*Saskatchewan	5	1 Nov., 1959	1 May	90.00	5.75
Saskatchewan	6	15 Mar., 1952	15 Mar.	99.00	6.09
Cities					
*Montreal	5	1 Sept., 1963	1 Mar.	102.00	4.87
*Toronto	4½	1 Jan., 1955	1 July	100.00	4.50
*Vancouver	5	15 Jan., 1970	15 July	90.00	5.65
Winnipeg	5	1 Mar., 1944	1 Mar.	92.50	6.00
*Edmonton	5½	1 Apr., 1947	1 Apr.	89.00	6.75
Calgary	5	1 Jan., 1943	1 July	88.35	6.75
Halifax	6	1 July, 1951	1 July	110.35	5.10
Saint John	5	15 Dec., 1950	15 June	100.50	4.95
Regina	4½	1 July, 1950	1 July	77.50	6.78
Victoria	5	21 July, 1945	21 July	91.50	6.04
Quebec	5	1 June, 1948	1 June	100.50	4.95

*Payable in New York.

Unlisted Mining Stocks

February 20, 1934

	Bid	Ask
Adanac Gold	.28	.32
Algoma M. & F.	.15	.17½
Arntfield Gold	.75	.85
Arntfield Synd.	.65	.75
Astoria Rouyn	.02½	.03½
Bathurst	.03½	.05
Beattie	1.25	1.30
Bidgood	.02½	.03½
Buff. Ankerite	1.80	1.95
Buff. Rouyn	...	.03
Bussieres Min.	..	.40
Can. Pandora	.23	.25
Can. Radium	...	.10
Canusa Mining	.02	.04
Casey Summit	.45	.58
Clover G. Units	18.00	20.00
Cochenour-Wil. Units	15.00	22.00
Cont. Columbia	...	.26
Continental Kirk.	.03	.05
Crown Reserve	.02	.03
Delta Units	30.00	50.00
Dorval Siscoe Units	...	13.00
Dunlop Cons.	.01	.02½
Eagle Oil	...	1.50
Echo Bay Expl.	...	.35
Edgecreek Un.	10.00	15.00
Fiske	...	.03
Four Nations	.11	.16
Gachin G. Un.	10.00	...
Galatea Units	15.00	25.00
Glenora Gold	.25	.35
Goldside Units	43.00	50.00
Gr. Bear Lake	.45	.50
Gunnar Gold	.83	.87
Herbin Lake Un.	9.00	14.00
Horseshoe	.05	.09
Island Lake	.04	.06½
Keeley	.50	...
Kenty Gold	.20	1.00
Kirk. Gold	.18	.22
Kirk. Divide	.19	.25
Lake Geneva	.18	.22
Lamaque Gold	.90	1.00
Little Long Lac.	1.93	2.00
McCarthy Webb.	.04½	.07½
Mackenzie Red Lake	.64	.69
McL. Cockshutt	.24½	.26
Makwa Cham.	.25	.28
Man. & Eastern	.13	.14
Maple Leaf M.	.64	.67
Matachewan Can.	.11	.13
Mecca Gold	.28	.32
Metals Develop.	.02	.03
Minefinders	1.00	...
Martin-Bird Un.	14.00	16.00
N.A.M.E. Units	5.00	8.00
Normetal Mine.	.40	.55
Normount	...	.21
Northl'd Pros.	300.00	500.00
N. Tiblemont Un.	...	20.00
O'Connell Gold	.20	.30
Oro Grande Dev.	...	.50
Peninsular Pet.	.00½	.01
Pontiac Rouyn	.45	.51
Que. Eureka Un.	9.00	14.00
Quebec Pros.	2.50	...
Silverore Un.	10.00	12.00
Silveradium Un.	70.00	85.00
Silver Valley	...	.20
Smelter Gold	.29	.31
Sourdough Un.	5.00	10.00
Sun Bear	...	.20
Sunorca Explor.	1.25	1.35
Swayze Contact	...	.16
Tashota	.02¾	.03¾
Tiblemont Island	.20	.23
Titurne Units	17.00	19.00
Toburn	.76	.82
Tyrrell Tp. McN.	...	40.00
Vipond	...	.50
West McW. Units	5.00	9.00
Wendigo	.25	.30
Young Davidson	.30	.32½
Young Munro	.12	.14

The above table is made up from quotation sheets of several brokers. The Financial Post does not guarantee the quotations but can supply any subscriber with the name of the broker from whose sheet any particular quotation was taken.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited, Investment Bankers, Toronto.
February 20, 1934

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	2.00	2.50
Acadia Sugar pfd.	4.30	4.75
Agnew Surp. pfd.	86.00	90.00
Allens London pfd. bonus c.	36.00	....
Allens St. Cath. pfd. bonus c.	36.00	....
Allens Toronto pfd. bonus c.	21.50	....
Andian National	29.50	30.75
Atlantic Sugar A	83.00	89.00
B.C. P. & P. pfd.	8.50	....
Burns pfd. bon. c.	5.00	8.00
Canada & Dom. Sugar	42.00	....
Can. Machinery c.	2.25	3.75
Can. Machy. pfd.	15.25	20.00
Canada Packers c.	46.00	48.00
Can. Packers pf.	103.00	104.50
Canada Starch c.	7.50	....
Can. Starch pfd.	78.50	....
Can. Wire & Cable pfd. WW	70.00	....
Can. Indust. c. A	149.50	....
Can. Indust. c. B	147.00	152.00
Can. Indust. pfd.	128.00	132.00
Can. Westingh'se.	45.50	47.00
Chase pfd. bonus c.	18.00	21.50
Claude Neon Gen. Adv. Units	3.75	6.00
Copeland Fl. Units	4.25	....
Dom. F. & Steel c.	7.25	....
Dom. F. & Steel p.	47.00	....
Dom. Manufac. pf.	66.00	....
Dom. Woollens c.	1.75	3.00
Dunlop Tire pfd.	65.00	70.00
East. Dairies pfd.	11.50	15.50
Easy Washing pf.	14.00	....
Federal Grain pfd.	19.00	....
For. Power Sc. pf.	16.00	20.00
Gen. Steel W. pf.	26.00	28.00
Goderich Elev. & Transit	7.00	8.25
Guelph Carpet pf.	75.50	....
Guelph Carpet c.	10.00	....
Hard. Carpets Units	15.00	20.00
Highland Dairy p.	62.00	65.00
Inter City Bak. c.	14.00	17.00
Inter. Paints of Can. pfd.	7.75	....
Inter. Propriet. A	32.75	34.00
Loew's London pf.	3.25	4.25
Loew's Toronto p.	60.50	65.00
Mansfield Th. pfd.	26.00	2....
Massey-Harris pf.	26.00	28.00
Mt. Roy. Hotel pf.	1.60	2.50
Nat'l Grocers pfd.	99.00	103.00
Para. Kitchener p.	35.00	....
Para. Oshawa pf.	41.00	....
Prov. Paper pfd.	70.00	72.50
Reliance Grain pf.	40.00	45.00
Robinson Cons. Cone	8.50	10.00
Rolland Pap. pfd. WW	56.50	....
Ruddy, E. L. pfd.	10.50	....
Serv. Stat. A pfd.	56.50	....
Standard Clay c.	....	15.50
Stand. Fuel pfd. bonus	77.00	....
Supersilk pfd. bon.	39.50	....
Supertest Pet. B pfd.	18.00	23.50
Thayers pfd.	24.00	27.50
United Corpns. A	8.25	10.00
United Corpns. B	2.50	4.00
West. Grain pfd. bonus	7.00	11.00
Willards Choc. pf.	14.50	19.00
Wood, Alex. pfd.	19.00	25.00
Zimmerknit c.	3.25	....
Zimmerknit pfd.	33.00	....

Insurance Stocks:	Bid
Brit. Amer. Assce.	20.0
Canada Life	425.0
Can. Fire Ins.	54.0
Confed. Life 20% pd.	123.0
Cont. Life 20% pd.	37.5
Crown Life Ins.	100.0
Dom. Fire Ins.	86.5
Dom. Life 50% pd.	165.50
D. of Can. Gen.	105.00
Emp. Life 25% pd.	9.75
Excel. Life 30% pd.	74.50
Fed. Fire 25% pd.	35.50
Great West Life	321.00
Guar. Co. of N. A. fully paid	209.00
Guar. Co. of N. A. 20% pd.	40.00
Imperial Life	280.00
Manufac. Life	219.00
Monarch L. 10% pd.	17.00
Nat. Life 25% pd.	53.50
Sov. Life 25% pd.	15.00
Sun Life	510.00
Western Assur. c.	15.25
West. L. 20% pd.	9.00

Trust & Loan Stocks:	Bid	Asked
Br. Mtge. & Tr.	133.00	
Chartered Trust	61.00	
Eastern Trust	135.00	140
Lond. & West. Tr.	39.00	
Premier Trust	83.00	
Sec. Loan & Sav.	91.50	
Sherbrooke Trust	100.50	
Sterling Trust	....	
Traders Fin. A pf.	35.00	
Trusts & Guar.	38.00	
Vict. Tr. & Sav.	130.50	140.0
Waterloo Tr. & Sav.	90.00	100.0
Investment Trust Shares:		
Can. Gen. Invest.	5.40	
Can. Invest. Fund	3.35	3.60
Can. Investors	5.50	....
Cons. Div. Std. Sec. pfd.	11.50	....
Deb. & Sec. pfd.	21.00	....
Dom. & Anglo Inv. Units	191.00	....
Dom. Scot. Inv. Units	18.50	....
Invest. Found. Units	32.50	....
Sec. Hold. Corp. pfd.	8.00	....
Power Issues:		
Calgary Pwr. pfd.	81.50	84.00
Can. L. & Pwr. c.	....	40.00
Can. W. Nat. Gas LH&P pfd.	83.00	85.00
Gr. Lakes Pr. pfd.	40.00	....
Maritime Tel. & Tel. c.	10.25	11.00
Maritime Tel. & Tel. pfd.	11.25	12.00
N. B. Telephone c.	9.25	10.00
N. S. L&P c.	25.50	34.00
N. S. L&P pfd.	77.00	....

Recent London Quotations:

Brew. & Distillers	10s. 6d.
Can. & For. Secs.	4s. 6d.
Can. West. Lumber	2s.
Hudson's Bay	28s. 6d.
Do., 5% pref.	97s. 6d.
Internat. Holdings	$2¼
Nfld. Pr. & Pap. deb. stock B 5½%	98½
Tor. Sub'an 4½% deb. stk.	20

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass, c.	...	†20c	Mar. 1	Feb. 15
Do., pref.	7%	1¾%	Apr. 2	Mar. 15
Bk. of Nova Scotia	$12	$3	Apr. 3	Mar. 16
Belding Corticelli, pfd.	7%	1¾%	Mar. 15	Feb. 28
Borden Co. c.	$1.60	40c	Mar. 1	Feb. 15
Bk. Can. Nationale	$10	$2.50	Mar. 1	Feb. 15
Bank of Montreal	$8	$2	Mar. 1	Jan. 31
Bank of Toronto	$10	$2.50	Mar. 1	Feb. 15
Canada Malting (Coupon No. 25)	$1.50	37½c	Mar. 15	Feb. 8
Can. Bank of Commerce	$8	$2	Mar. 1	Jan. 31
Canadian Oil, pfd.	$8	$2	Apr. 1	Mar. 20
Can. Hydro-Elec., pfd.	$6	$1.50	Mar. 1	Feb. 1
Canada Vinegars	$1.60	40c	Mar. 1	Feb. 14
Canada Starch, pref.	$7	$3.50	Feb. 15	Feb. 8
Can. Cottons, com.	$4	$1	Apr. 4	Mar. 16
Do., pref.	6%	1½%	Apr. 4	Mar. 16
Dominion Bank	$10	$2.50*	Apr. 3	Mar. 20
Dominion Bridge	...	50c	May 15	Apr. 30
Dominion Stores	$1.20	30c	Apr. 2	Mar. 15
Gachin Gold Synd. units	60c	15c	Mar. 31	Feb. 28
Do., extra	...	10c	Mar. 31	Feb. 28
Hamilton United Theat. pfd.	$7	$1.75	Mar. 31	Feb. 28
Hollinger Gold	65c	5c	Feb. 26	Feb. 9
Do., extra	...	5c	Feb. 26	Feb. 9
Imperial Oil, (No. 40)	50c	12½c	Mar. 1	Feb. 9
Inter. Coal & Coke	...	1%	Mar. 1	Feb. 21
International Nickel, c.	...	10c	Mar. 31	Mar. 1
Inter. Proprietaries A	$2.60	65c	Mar. 15	Feb. 21
Do., participation	...	5c	Mar. 15	Feb. 21
International Milling, 1st pfd.	$7	$1.75	Mar. 1	Feb. 17
Do., A pref.	$6	$1.50	Mar. 1	Feb. 17
International Petroleum, No. 40	$1.12	28c	Mar. 15	Feb. 28
Lake Shore Mines	$2	50c	Mar. 15	Mar. 1
Laura Secord	$3	75c	Mar. 1	Feb. 15
Loblaw Groc. A & B	80c	20c	Mar. 1	Feb. 12
McColl-Frontenac Oil c.	60c	15c	Mar. 15	Feb. 15
McIntyre-Porc. M.	$1	25c	Mar. 1	Feb. 1
Do., extra	50c	12½c	Mar. 1	Feb. 1
Do., bonus	...	12½c	Mar. 1	Feb. 1
Monarch Knitting, pref.	...	‡$1	Apr. 2	Mar. 15
Montreal Loan & Mtge.	$3	75c	Mar. 15	Feb. 28
Do., extra	...	25c	Mar. 15	Feb. 28
National Biscuit, pfd.	$7	$1.75	Feb. 28	Feb. 14
N. S. Light & Power, pfd.	$6	$1.50	Mar. 1	Feb. 14
Ogilvie Flour, pref.	$7	$1.75	Mar. 1	Feb. 19
Page Hersey Tubes, pref.	$7	$1.75	Apr. 2	Mar. 20
Do., com.	$3	75c	Apr. 2	Mar. 20
Perfect Circle	...	50c	Apr. 1	Mar. 20
Pioneer Gold Mines, B.C.	60c	15c	Apr. 2	Mar. 3
Reliance Grain pfd.	6½%	1⅝%	Mar. 15	Feb. 28
Rolland Paper, pref.	$6	$1.50	Mar. 1	Feb. 15
Royal Bank	$8	$2	Mar. 1	Jan. 31
Simon & Sons, pref.	...	‡5.25	Mar. 1	Feb. 20
Siscoe Gold Mines	12c	3c	Mar. 31	Mar. 8
Do., bonus	...	2c	Mar. 31	Mar. 8
San Antonio	...	†5c	Mar. 15	Mar. 1
Toburn Gold M.	...	†2c	Feb. 22	Feb. 5

†Initial. ‡On arrears.

Dominion of Canada Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.
February 20, 1934

	Rate	Maturity	Asked	Approx. Yield
*†Dominion	5	1 Mar., 1937	107.00	
†Dominion	5½	1 Dec., 1937	109.25	2.95
Dominion	5½	1 Nov., 1934	101.50	3.20
Dominion	3½	15 Oct., 1935	100.50	3.19
Dominion	4	15 Oct., 1935	101.50	3.06
Dominion	5	15 Nov., 1936	103.75	3.55
Dominion	4	15 Oct., 1939	101.00	3.80
Dominion	4½	1 Sept., 1940	103.00	3.98
Dominion	5	15 Nov., 1941	105.50	4.18
Dominion	5	15 Oct., 1943	105.75	4.29
Dominion	4½	15 Oct., 1944	102.25	4.25
Dominion	4	15 Oct., 1943-45	98.25	4.19
Dominion	4½	1 Feb., 1946	102.25	4.27
	4	15 Oct., 1947-1952	97.25	4.21
	4½	1 Nov., 1946-1956	101.50	4.39
	4½	1 Nov., 1947-1957	101.50	4.39
	4½	1 Nov., 1948-1958	101.50	4.39
	4½	1 Nov., 1949-1959 with talons	102.00	4.39
Dominion Guaranteed Bonds				
xCan. Nat. Ry.	4½	1 Sept., 1951	104.00	4.18
*Can. Nat. Ry.	4½	15 Sept., 1954	101.50	4.39
Can. Nat. Ry.	5	1 Feb., 1954	106.25	4.51
xCan. Nat. Ry.	4¾	15 June, 1955	106.25	4.28
xCan. Nat. Ry.	4½	1 Feb., 1956	103.75	4.24
xCan. Nat. Ry.	4½	1 Dec., 1968	102.75	4.31
xCan. Nat. Ry.	5	1 Oct., 1969	108.50	4.47

†Tax Exempt Issues. *Payable in Canada and New York. xPayable in Canada, New York, and London.

Winnipeg Stock Exchange

(Transactions for week to February 17)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Feb. 17
..	..	Ford, B	10	26¼	26¼	26¼
..	..	Gabrielle Mines	24,550	.20	.10	.20
..	..	Gunnar Gold	350	.90	.87½	.90
..	..	Greene Stabelle	100	.55	.55	.55
..	..	Island Lake	1,000	.06	.06	.06
..	..	Maple Leaf Mines	400	.62½	.62	.62½
..	..	Pelissiers, pref.	10	25	25	25
6.50	13.9	Reliance Grain, pref.	24	46½	46½	46½
..	..	McLeod Cockshutt	200	.21	.21	.21
1	10	United Grain Grow.	37	10	10	10
..	..	Western Breweries	100	90	90	90

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Fire	..	100	Traders Bldg. Assn.	65	..
Beaver Lumber c.	3	4	Sovereign Life	15	..
Do., pref.	..	65	Can. Amer. Tr. shs.	2⅞	3½
Can. Fire Insur.	54½	..	Can. Invest. Fund	..	3.60
Gt. West Life	315	..	Fundamental Ser. A	..	5
Home Investment	18	..	Fundamental Ser. B	..	4⅛
Northern Trust	10	..	Grouped Inc. Shs.	..	4.95
Pelissiers, com.	½	½			

*Stocks more active on other exchanges not included.

Listed Bond Quotations

Week Ending February 19, 1934

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1934 High	Low
McNish	6	1948	8.46	4.00	4.00	...	4.25	3.75
Mtl. L.H.&Pr. debs.	3	1939	3.73	46½	46½	45½	46½	43⅞
Mont. Tr. 1st mtg.§	5	1941	5.39	...	97⅞	...	98	97⅞
Mont. Trams. A§	5	1955	5.44	83½	83½	81½	83½	75
N. S. Steel	5	1959	...	29	28	...	28½	28

§Payable in Canada and New York.

Dairy Corp. of Canada Has Reorganization Plan

Offers New Debentures, Interest Starting 1936, to Take Care of Bank Loans and Retire Present Debentures — Offer to Stockholders

A plan for reorganization of the capital structure of Dairy Corp. of Canada will be discussed by shareholders informally at a meeting on March 6 and at a special general meeting by debenture holders on March 27. Recapitalization is stated to be essential because the interest on the debentures is now one and a half years in arrears and because an outstanding bank loan of $398,850 comes ahead of the debentures. The plan is therefore drawn so that there would be available sufficient new debentures to take care of the bank loan.

Two Classes of Stock

The $795,000 debentures outstanding in the hands of the public are to be called in, according to this proposal, and a new 20-year six per cent issue of $1,200,000 made under date of January 1, 1934, from which an offer to present debenture holders would be made of $80 for each $100 in present debentures now held or $636,000 in all, and four new Class B common shares. There would be no sinking fund for the first five years, but sinking fund arrangements covering the next 15 years would be covered in the new Trust Deed. As the debentures are dated January 1, 1934, the first four coupons would be detached so that no interest would be paid until January 1, 1936.

It is proposed that there should be two classes of common stock consisting of 75,000 Class A no par, non voting, common shares and 75,000 no par Class B voting shares. It is stated that Class A and B common shares would rank equally in every way except that Class B would have voting rights and Class A would have no voting rights.

Plan Proposed

It is proposed that unissued shares be cancelled and the new proposals to give 3 shares of new Class A stock for each $100 of preferred stock, one new Class A share for each 5 shares of old Class A common stock, and one new Class A for each 25 shares of old Class B common stock, therefore affect the outstanding capitalization as follows:

Present Capitalization

	$
Debentures, Series A and B 6 per cent, due 1945	795,000
Preferred stock, red., cum. conv., $100 par	1,545,800
No par value, Class A common shares (No.)	27,450
No par value, Class B common shares (No.)	36,300

Proposed Capitalization

	Authorized	Issued
Debentures, 6 per cent, due 1954	$1,200,000	*See Note
Class A no par value shares, authorized	75,000	53,316
Class B no var value common	75,000	31,800

* It is proposed to apportion these debentures as follows: $636,000 to holders of existing debentures; $500,000 to the company's bankers as security for existing loans and in substitution for any existing debentures held as collateral security; and $64,000 held in the treasury for general corporate purposes.

Terms of Offer

	Present	Exchange Proposed
Debent.	$795,000	$663,000 debs. 31,800 Cl. B sh.
Preference	1,545,800	46,374 n.p. Cl. A sh.
Class A	27,450 n.p. sh.	5,490 n.p. A
Class B	36,300 n.p. sh.	1,452 n.p. A

Important Savings

Mr. Caulder advises stockholders that the eight operating subsidiary companies finished the year without bank loans of any kind. It is the first time this condition has existed.

Conditions generally, with the industry, during the past year have been difficult. The general depression has seriously affected the company's ice cream sales, taxes have increased over $100,000 between 1931 and 1933, and the discount on milk sold for relief has cost the company almost $100,000 in 1933. Everything possible has been done to cut expenses which were reduced $168,000 in 1933. Other important reductions in expenses cannot be expected, and improvement must now come from increased sales and increased margin of profit.

Operations may improve in 1934, but as the company results were not seriously affected until 1932, Mr. Caulder thinks that the business will not fully reflect the improving conditions to the extent that may be shown by many other lines of business for some time.

Wants Preferred Committee

R. N. Bryson & Co., Toronto, are addressing a letter to the preferred shareholders of Dairy Corp. of Canada, with the recommendation that a committee, composed of preferred shareholders, should be formed, and that the fullest consideration be given to the proposed reorganization. They suggest that a more representative board of directors should be formed, one which is comprised of practical dairy men and on which the preferred shareholders, as such, are represented.

The writer of this letter states that he sold considerable of the securities for the investment bank-

DETROIT TUNNEL PROFIT REDUCED TRAFFIC IS DOWN

Earns Little More Than Operating Costs and Taxes in 1933

Gross revenues of Detroit & Canada Tunnel Co., in receivership, were $478,496 in 1933 as compared with $656,282 in 1932 while operating expenses and taxes, as assessed were down to $422,654 from $552,816. The drop of $117,786 in revenue was partially offset by decline of $130,162 in expenses. The net result of operation was a profit of $55,843, as compared with profit of $90,470 in 1932, before any provision for bond interest or depreciation. Exchange netted the company an additional $10,918. After providing for depreciation reserve but before any provision for interest accruing on funded debt the company ended the year with a deficit of $3,158,969 as compared with deficit of $2,633,193 brought forward from 1932.

George R. Cooke, receiver of the company, states that cross-river traffic has continued to decline.

CONSOLIDATED INCOME ACCOUNT
For Year Ended Dec. 31

	1933 $	1934 $
Operating revenue:		
Tolls	285,928	409,948
Bus pass. & spec. coach hire	187,321	233,154
	473,249	643,102
Add: Non-oper. rev.	5,247	13,179
Gross earnings	478,496	656,281
Less: Operation	191,484	274,842
Maintenance	48,449	64,858
Taxes	182,720	213,116
Exchange res.	......	12,995
	55,843	90,470
Add:		
Gain on exchange	10,918	......
Adj. to reserve*	9,806	......
	76,567	90,470
Less: Bond interest	....	358,972
General interest	7,937	14,239
Amort. of debt discount & expense	113,012	114,101
	†44,382	†391,842
Deprec. of tunnel, etc.	240,938	243,856
Amort. of land, rights etc.	226,290	225,856
	†511,610	†861,054
Loss on equip.	6,115	......
Prov. for loss on bal. in banks	8,051	......
Net loss	525,776	861,054
Add: Previous deficit	2,633,193	1,772,139
Deficit forward	3,158,969	2,633,193

* For unredeemed tickets and tokens to estimated requirements.
† Deficit.

The company has $257,864 of current assets of which $256,811 is cash. Including liabilities incurred by the receiver which amount to $202,990, the company has current liabilities of $1,164,410 so that there has been some improvement in current position. The company has current liabilities in excess of current assets to the extent of $906,546 at the end of 1933 as compared with an excess of $957,732 in 1932.

Against plant, property, rights and franchises, which are carried at $22,205,911, there have been set up reserves of $1,467,998. Unamortized bond discount and expense total $1,264,497. Deposits in closed banks amount to $27,634 after reserve. There remain outstanding $8,500,000 of 6 per cent first mortgage bonds and $8,491,000 of 6½ per cent debentures.

Haida Gold Mines Secures Financing From Eastern U.S.

From Our Own Correspondent

VICTORIA, B.C.—A deal has been closed with eastern American interests to finance development to production on the property of the Haida Gold Mines Ltd. on Moresby Island, according to officials of the company. The management states that a tunnel is being driven to cross-cut several parallel and vertical gold-bearing veins, disclosed on the surface of Haida Mountain, before reaching the "C" vein. This "C" vein has been driven on at a higher level for over 200 feet in pay ore.

The company expects the new tunnel to strike the "C" vein at about 300 feet below the surface outcropping when mill installation will be warranted, if the veins are found to persist in width and values. Profitable operations are assured in this event, state officials, because of the low mining and milling costs, even $6 ore being regarded as commercial.

Solibakke Optimistic on Prosperine Mountain Area

From Our Own Correspondent

VANCOUVER.—Important developments in the Proserpine Mountain area near Barkerville are foreseen by O. H. Solibakke, fiscal agent and director of Cariboo Gold Quartz Mining Co. He believes that within the near future a six-mile tunnel will be driven through the ore-bearing strata of the mountain penetrating from one property to another.

Within the next 60 days, Mr. Solibakke thinks, veins will be uncovered on Proserpine comparable with those already revealed on Cow Mountain, where most of the Cariboo Gold Quartz workings have been concentrated since operations were started some years ago under Fred M. Wells.

Arrangements are going forward for the installation of a hydro-electric plant at Swamp River falls by a British electrical engineering company. Introduction of cheap electric power is expected to stimulate lode activity throughout the Barkerville section.

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At the Mines

Casey Summit—It has been officially announced that Coniagas Mines Ltd. company has joined with the Maple Leaf Mines Ltd., in the financing of the Casey Summit Gold Mines, in the Patricia district. Maple Leaf Mines has an option on the controlling interest in Casey Summit, but it is not stated to what extent Coniagas will participate in the venture.

R. G. Williamson, president and general manager of Casey Summit, has announced that a 50-ton mill has been purchased and will be shipped to the mine on Feb. 28. It is estimated that milling operations will commence in the early summer.

The Casey Summit property consists of about 800 acres in the Summit-Birch Lake area, District of Patricia, Ont., and has a steam operated mining plant with capacity to develop the mine to the 500 ft. level.

* * *

God's Lake Gold—Is carrying exploration work into the Cona group to the west of the Akers claims and at present is continuing its diamond drilling campaign. The No. 2 hole was spotted about 650 yards west of the No. 36 hole on the Akers group and at a depth of 100 feet intersected vein material over a width of 6.6 feet carrying values of $3.20 per ton; No. 43 hole, 600 yards west of the 36 hole cut 3.9 feet of mineralization running $3.70 per ton, while the No. 44 hole, 50 yards west of No. 42, cut 2.10 feet width with values of $12.60 per ton in gold. All assays are figured with gold at $20.67 per ounce.

Recent drill holes indicate that the Akers vein continues uninterrupted for a distance of at least 3,100 feet, with commercial grade the whole length. It is the intention to start a series of drill holes to be put down at intervals of 50 feet, covering the full distance between the No. 36 hole on the Akers group to the No. 44 hole recently completed on the Cona group.

* * *

Mac Siccar Mine:—As a result of the progress already made at the Mac Siccar mine near the Morning Star property in the South Okanagan, first shipments of gold ore are to be made to the smelter shortly, according to officials of the company.

A crew has been at work on the property for the past six months. The claims cover 625 acres and on the Buller claim good assays over substantial widths were obtained. On the No. 1 level the ore is said to have assayed 1.6 ounces across 4½ feet, while on the No. 2 level across 4 feet the assay was 2.1 ounces. Plans have been made to increase the development on other showings. The stock of this company has just been called for listing on the Vancouver Stock Exchange.

* * *

Mogul Mining Co.—Increased development of its quartz properties in two sections of the province is planned by the company, which is reported to have ample finances on hand to carry out an extensive programme. One group of nine claims on Horseshoe Mountain on the Kettle River produced a trial shipment recently which carried 4.553 ounces of gold to the ton, netting the company $125 a ton.

The other group in the Bridge River district is divided into two sections. The Peso group of eight claims extends from Gum Lake to Bridge River and is said to contain the southwest dip of the California vein from the B. R. X., while the other group adjoins the Bridge River Consolidated property.

In addition, Mogul has four placer leases on Cottonwood River in the Cariboo district which have shown very promising values under preliminary testing.

* * *

Paymaster Consolidated—The company has announced that it intends to continue the West Dome shaft downward and to open two new levels, at 125 foot intervals, to explore the section where diamond drilling indicated good values. Diamond drilling will also be continued to determine underground conditions at greater depths and in other sections.

R. G. McLaren, mine superintendent, has stated that 22,092 tons of ore averaging approximately $12.89 per ton, with gold at $35 per ounce, have been blocked out on two sides on the second and third levels of the West Dome shaft.

Reno Gold — Notwithstanding the heavy capital expenditure of the company to place its plant in proper working order, 1933 closed with the liquid position improved, ore reserves up and ore prospects brighter and with operations definitely on a profitable basis after liberal reserves for depreciation and depletion.

For the calendar year ended Dec. 31, 1933, the gross value of production was $338,636, recovered from treating 21,967 tons of ore. The total yield consisted of 11,501 ounces of gold, 3,240 ounces of silver and 21,967 pounds of lead. In January, 1934, gross value of production was $37,501.

The company's mill which has been operating at about 65 tons daily is to be stepped up this month to 100 tons daily.

* * *

Salmon Gold—Shareholders of Salmon Gold Mines reached an agreement at a recent meeting whereby Consolidated Mining and Smelting Company of Canada, Limited, will purchase 60 per cent of its total share capital. The company's property is situated about 8 miles north of Big Missouri in the Portland Canal district of British Columbia.

A new board of directors for Salmon Gold Mines was elected at the meeting, which included Brig.-Gen. J. Duff Stuart, W. M. Archibald, M. M. O'Brien, E. C. Morris and E. G. Langille.

* * *

Thompson-Cadillac—It is reported that the downward extension of the ore bodies has been picked up on the 600 ft. level, with values and vein structure similar to those encountered on the upper levels. On the first and second levels, raises are being put through to the surface and stopes are being prepared for production.

The mill is being assembled and is expected to be ready for operation by next July. It is also expected that the power for the operation of the plant will be available by the first of May.

* * *

Treadwell Yukon—It is reported that the company is to re-open its Tybo mine in Nevada and that work will start at once. The company's mill suspended operations in October, 1931, and development work ceased in October, 1932.

Mining Stock Quotations

Week Ending February 19.

Par Val.	Range 1934 High	Low	Company	Sales	Close Feb. 12 (or last)	High for week	Low for week	Close Feb. 19
1	.06	.01	Aconds	659,900	.04½	.04½	.02½	.03½
No	.22	.13	Aldermac	98,300	.17	.21	.16	.18
1	.10	.02½	Alexandria	178,900	.07½	.08	.07	.07½
No	.03½	.01½	Algoma	120,500	.02½	.03½	.02	.02½
1	.02½	.00½	Algonquin	601,900	.01½	.02½	.01	.02½
1	.02½	.01½	Amity Copper	53,200	.02	.02½	.02½	.02½
No	2.85	2.00	Anglo-Huronian	4,478	2.75	2.85	2.65	2.85
1	*.01	.00½	Apex	......	.00½	.....	.....	.....
1	.04½	.03	Area	7,500	.04	.04½	.04½	.04½
No	.20	.03½	Arno	429,100	.04½	.20	.04½	.09½
1	1.01	.90	Ashley	1,550	.90	.96	.95	.95
1	.08	.04	Bagamac	26,850	.06	.07	.06	.06½
1	.01½	.00½	Baldwin	8,000	.00½	.01	.00½	.01
1	.17½	.12½	Barry Hollinger	68,400	.17	.17	.15½	.16
1	1.86	1.48	Base Metals	16,070	1.76	1.86	1.76	1.80
5	.91	.45	B. E. A. R.	369,520	.53½	.72	.52½	.69
1	.51	.32½	Big Missouri	215,877	.37	.51	.36	.45
1	.38	.23	Bobjo	377,550	.26	.38	.24½	.36
No	11.90	9.90	Bralorne	1,166	11.25	11.35	11.00	11.25
.	.90	.65	Do., Rights	......	.65	.....	.....	.....
1	.15	.12	Brett Trethewey	17,000	.13	.14	.09	.13½
50c	.80	.28½	Bridge River Ex.	8,300	.73½	.75	.70	.74
1	.03	.01½	Brownlee	108,800	.02½	.03	.02½	.03
1	.01½	.00½	Buckingham	32,500	.01½	.01½	.01	.01½
No	.10	.06½	Buffalo Can.	51,500	.07	.10	.07	.09½
5	30.75	23.50	Bulolo	410	28.50	28.00	27.50	28.00
No	.02½	.01½	Bunker Hill	65,000	.02	.02	.01½	.02
5s	1.10	1.10	B'Wana McKubwa	......	1.10	.....	.....	.....
No	.02½	.02½	Canam Metals	......	.02½	.....	.....	.....
1	.10	.07½	Can. Kirkland	56,300	.08½	.09	.08½	.08½
No	.58	.38	Can. Malartic	22,100	.45	.50	.43	.47
1	.01½	.00½	Capital Rouyn	1,500	.00½	.00½	.00½	.00½
1	2.85	2.25	Cariboo Gold	800	2.50	2.60	2.40	2.45
1	.03½	.01	Cartier Malartic	39,000	.03½	.03½	.03	.03½
1	.64	.49	Castle Trethewey	252,571	.56	.63	.56	.62½
1	.14½	.07	Cen. Manitoba	36,500	.09	.09	.08	.08½
1	.65	.54	Cen. Patricia	84,465	.58	.65	.57	.60
No	.10	.05½	Chibougamau Pros.	753,165	.06½	.10	.06½	.09½
No	.15½	.09	Church. M. & Mill	46,800	.14½	.14	.12	.13½
No	.02½	.01½	Clericy	60,000	.02	.02½	.02	.02½
1	.02	.01	Clifton Cons.	44,100	.01½	.02	.01½	.01½
5	5.50	4.00	Coast Copper	1,675	4.85	5.25	4.55	5.25
1	.06½	.04½	Cobalt Contact	116,500	.05	.06½	.05	.06½
1	.75	.55½	Columario	79,550	.69	.75	.68½	.75
5	1.75	1.35	Coniagas	1,150	1.45	1.65	1.40	1.65
No	1.55	.97	Coniaurum	23,400	1.20	1.35	1.20	1.25
25	152.00	132.00	Cons. Smelters	8,550	133.00	152.00	133.00	148.00
No	37.00	32.25	Dome Mines	17,720	35.00	37.00	35.00	35.20
No	.07½	.05	Dom. Explorers	64,300	.05½	.07½	.05½	.06½
1	.01½	.00½	Dominion Kirk	12,500	.01½	.01½	.01½	.01½
1	.02	.00½	Don Rouyn	1,045,700	.01½	.01½	.01	.01
1	.02	.01½	Duparquet	......	.01½	.....	.....	.....
1	3.95	3.25	Eldorado	49,395	3.54	3.89	3.55	3.67
No	3.55	3.00	Falconbridge	14,522	3.19	3.55	3.20	3.45
1	.03½	.01½	Federal	26,000	.02½	.03½	.02½	.03½
No	.04½	.02½	Gilbec	95,300	.04	.04½	.03½	.04½
No	.95	.70	Gods Lake	100,875	.73	.95	.70	.86½
1	.14½	.08	Goldale	18,850	.10½	.11½	.10	.11
10	.47	.16	Goldfield	47,750	.28	.47	.28	.40
1	.17½	.11½	Goodfish	15,600	15	.17	.14	.16
1	.09	.02½	Graham	329,028	.06½	.09	.06½	.08½
1	.71	.62	Granada	47,595	.64½	.70	.60	.69
1	.07	.05	Grozelle	1,700	.05½	.05½	.05½	.05½
1	.38½	.30	Grull Wihksne	1,100	.35	.35	.35	.35
1	.37	.30	Halcrow Swayze	50,450	.34½	.37	.35	.37
1	.07½	.03½	Harker	232,295	.05½	.07½	.05	.07
1	.01½	.00½	Hilltop	36,000	.01	.01	.01	.01
5	14.00	11.40	Hollinger	9,523	13.75	14.00	13.50	13.60
1	1.11	.93	Howey Gold	184,040	.96	1.11	.96	1.11
No	10.95	9.00	Hudson Bay	4,045	9.85	10.95	9.80	10.40
1	14.25	10.45	Inter. Mining	640	13.00	13.75	13.25	13.75
.	5.15	4.00	Do., Pur. Warr.	200	5.15	4.75	4.75	4.75
No	23.90	21.15	Int. Nickel	37,416	22.45	23.65	22.50	23.15
1	.07	.02½	Jackson Manion	141,750	.06½	.06½	.05½	.05½
1	.02	.00½	Keora Mines	44,000	.01½	.02	.01½	.02
1	.56	.45	Kirk. Hud. Bay	1,000	.45	.50	.45	.50
1	.02	.00½	Kirk. Hunton	15,500	.01	.01½	.01	.01½
1	.35	.29	Kirkland Lake	63,450	.29½	.32½	.29	.31
1	.03½	.01½	Kirkland Premier	26,628	.03½	.03½	.02½	.03½
1	.30	.21	Kirk. Townsite	8,600	.26	.26	.23	.25
20c	.02½	.01½	Koot. Florence	46,900	.01½	.02½	.01½	.02½
1	.22	.11	Lakeland	38,800	.15	.22	.15	.17
No	.11½	.07	Lake Maron	137,800	.09½	.10	.08½	.08½
1	47.00	42.00	Lake Shore	5,110	44.50	46.75	44.30	45.00
1	.18½	.08	Lebel Oro	234,440	.14	.18½	.13½	.16
No	.16	.12	Lee Gold	18,900	.15	.15	.13½	.14
1	2.32	1.85	Macassa	35,712	2.17	2.29	2.15	2.17
1	.04½	.01½	Malrobic	1,006,300	.02	.04½	.02	.04½
No	.10½	.06	Mandy	6,450	.10	.10½	.09½	.10½
No	.04	.02	Manitoba Basin	117,000	.02½	.04	.02½	.03½
5	43.25	39.25	McIntyre	9,820	40.50	43.25	40.30	40.85
1	.50	.50	McKinley	843	.50	.50	.50	.50
No	.03	.01½	McLeod River	127,800	.02½	.03	.02	.03
1	.53	.39	McMillan	38,050	.46	.48½	.45	.47½
No	.50	.32	McWatters	21,350	.34½	.35	.32	.32
1	1.21	1.00	McVittie	51,270	1.06	1.16	1.06	1.14
No	2.10	1.60	Mining Corp.	17,181	1.95	2.10	1.90	2.00
1	.05½	.02½	Moffatt Hall	59,700	.04	.04½	.03½	.04½
1	.11½	.08½	Moneta	28,200	.10	.11½	.10½	.11
1	*.00½	.00½	Montreal Rouyn	......	.00½	.....	.....	.....
1	.05	.02½	Moss	500	.04	.05	.05	.05
1	.02½	.01½	Murphy	38,000	.02	.02	.01½	.02
No	.05½	.02	Newbec	109,700	.03½	.05½	.03	.04½
1	.06	.03	Night-Hawk Penn.	73,000	.04½	.06	.04½	.05½
5	2.78	2.30	Nipissing	11,505	2.55	2.78	2.55	2.62
No	36.50	33.25	Noranda	13,520	35.00	36.00	34.75	34.75
No	.35	.29	Nor. Canada	3,700	.30	.32	.29	.32
1	.19	.11	Osisko	5,000	.12	.19	.17	.19
1	.49½	.36	Parkhill	40,770	.48½	.48	.45	.45½
1	.02½	.01½	Pawnee Kirk.	26,500	.02	.02	.01½	.02
1	.25	.19	Paymaster	18,575	.21	.23	.21	.21
1	1.18	.75½	Pend Oreille	20,065	1.02	1.18	1.00	1.10
1	.05	.02½	Peterson Cobalt	55,000	.02½	.05	.02½	.04
1	12.75	10.75	Pioneer Gold B.C	8,165	11.90	12.45	11.50	11.85
1	.03½	.01½	Porcupine Crown	27,000	.02½	.03	.02	.03
1	.01	.00½	Potter Doal	9,000	.00½	.00½	.00½	.00
1	1.47	1.02	Premier Gold	169,825	1.09	1.47	1.10	1.34
1	.01½	.01½	Preston E. Dome	......	.01½	.....	.....	.....
No	.48	.30	Prospectors Air's.	1,700	.40	.35	.34	.35
No	.11	.05	Quemont	2,100	07½	.11	.10	.11
1	.48½	.27	Read Authier	45,090	.40	.48½	.40	.48
1	1.28	.87	Reno	27,750	1.13	1.20	1.11	1.12
1	.01½	.00½	Ribago	17,500	.01½	.01½	.01½	.01½
1	.02½	.01½	Ritchie	12,200	.02½	.02½	.02	.02
1	.04½	.01½	Robb Montbray	84,690	.02½	.04½	.02½	.04½
1	2.48	1.75	San Antonio	34,043	2.42	2.45	2.34	2.35
1	1.23	.99	Sherritt Gordon	44,359	1.12	1.20	1.12	1.17
1	1.95	1.43	Siscoe	179,955	1.79	1.95	1.79	1.83
1	.03½	.02½	South Keora	6,000	.02½	.03	.02½	.03
No	.26½	.10	South Tiblemont	33,400	.10	.13	.10	.11½
No	.15	.08½	Stadacona	110,400	.12½	.15	.11½	.14½
1	.49	.33	St. Anthony	43,500	.40½	.43	.38	.38
No	1.75	1.00	Sudbury Basin	23,130	1.46	1.75	1.45	1.61
1	.14⅝	.07	Sudbury Contact	104,900	.12	.14½	.12½	.13
1	.02½	.00½	Sudbury Mines	338,000	.01½	.02½	.01½	.02½
No	.18	.18	Sudbury Nickel	......	.18	.....	.....	.....
1	.35	.25	Sullivan	54,550	.31	.34	.30	.33
1	2.28	1.29	Sylvanite	113,290	2.13	2.28	2.12	2.16
1	6.20	5.75	Teck Hughes	28,004	5.95	6.00	5.80	5.85
1	.42	.20	Thom. Cadillac	223,140	.37½	.42	.38	.41
1	.40	.25	Towagmac	6,400	.27	.40	.34	.40
1	.85	.35	Treadwell	5,600	.59	.77	.65	.77
1	.20½	.18	United Kirkland	......	.20	.....	.....	.....
No	.02½	.01½	Vacuum Gas	61,500	.02½	.02½	.02	.02
No	1.10	.77	Ventures	52,650	.95	1.05	.95	.99
1	.03	.01½	Vickers	101,800	.01½	.03	.01½	.02½
No	1.45	1.12	Waite Amulet	19,624	1.29	1.45	1.23	1.31
50c	.48	.40	Wayside	139,050	.43½	.43	.40	.40½
No	.41	.31½	White Eagle	240,225	.35½	.41	.34½	.39½
1	.07	.03½	White Lake	38,900	.04½	.07½	.04	.07
1	.14	.07	Wiltsey Coughlan	61,300	.11	.14	.10	.12
1	.10	.05	Wood Kirkland	16,300	.09	.10	.09	.10
No	7.45	6.75	Wright-Hargreaves	12,815	7.15	7.30	7.00	7.10

OIL STOCKS

Par Val.	Range 1934 High	Low	Company	Sales	Close Feb. 12 (or last)	High for week	Low for week	Close Feb. 19
No	.25	.17	Acme Gas & Oil	246,750	.21½	.25	.21½	.24½
1	1.60	1.02	Ajax	182,155	1.40	1.60	1.38	1.47
1	.25	.17	Alta. Pacific	8,298	.17	.20	.18	.19
1	.15½	.12	Amalgamated	8,920	.14	.14	.12	.13
1	.08	.04½	Anaconda	16,766	.07½	.08	.06½	.07½
.	.10½	.06	Askalta	11,000	.09	.10½	.09½	.10½
No	.35	.20	Associated	11,600	.30	.30	.28	.30
No	.13	.06½	Baltac	12,300	.09	.13	.09	.09
No	1.15	.95	Calgary & Ed.	3,065	1.08	1.10	1.00	1.10
1	.15	.11	Calmont	11,600	.13	.14	.13	.13
1	.10½	.06	Common. Pete.	600	.10	.10	.10	.10
No	.65	.50	Dalhousie	3,760	.59	.58	.53	.56
No	.08½	.04½	Devenish	2,000	.06½	.07	.06½	.07
No	.30	.23	East Crest	4,200	.23	.24½	.23	.23
No	.09	.09	Erie Gas	......	.09	.....	.....	.....
No	.01	.00½	Fabyan Pete	23,000	.01	.01	.00½	.01
No	.75	.40	Foothills	1,050	.45	.55	.50	.51
No	.16½	.10	Freehold	9,620	.14	.15	.12	.14½
No	.13	.08	Hargal	370	.10	.09	.08	.09
No	.15½	.15½	Highwood Sarcee	......	.15½	.....	.....	.....
No	1.90	1.56	Home	12,425	1.89	1.90	1.74	1.74
No	.02½	.02	Homestead	......	.02	.....	.....	.....
1	.16½	.13	Homestead O. & G.	8,800	.15	.16	.14½	.15
No	.44	.20	Lowery	3,850	.42½	.40	.35	.38
No	.05	.03½	Madison	81,000	.04½	.04½	.04	.04½
No	.35	.14	Marjon Oil	73,500	.31	.32	.23	.25
No	.05½	.04½	McD. Segur Ex.	8,500	.04½	.05½	.05	.05½
1	*.08½	.05	McD. Segur N.	......	.06	.....	.....	.....
1	.47	.37	McLeod	525	.45	.40½	.37	.37
No	.22	.15	Mercury	12,950	.19	.19	.17½	.18
No	.42	.32	Merland	900	.35	.38	.34	.34
1	.30	.25	Midwal Oil	......	.30	.....	.....	.....
No	.22	.16	Mill City Pete	800	.22	.18	.18	.18
1	.33	.25	Model	1,450	.30	.30	.28	.28
5	.14	.09	Nordon	35,450	.11	.13½	.10	.12
No	.09	.05	Oil Selections	67,300	.06	.09	.05½	.06½
No	.16½	.06½	Okalta	6,500	.09½	.11	.09½	.11
100	29.00	20.00	Do., pref.	......	20.00	.....	.....	.....
No	.34	.21	Olga Gas & Oil	72,550	.23	.34	.24	.27
.	.17	.07	Pacalta Oil	10,700	.17	.14	.10	.12
1	1.10	.75	Petrol Oil & Gas	600	.90	1.10	.90	1.05
No	*.02	.02	Richfield	......	.02	.....	.....	.....
No	19.55	17.50	Royalite	742	19.00	18.00	17.50	17.50
1	.10	.07½	Sarnia Oil	15,000	.08½	.10	.08½	.09
No	.17	.12	South West Pete.	500	.15	.17	.12	.12
1	.29	.23	Spooner	......	.29	.....	.....	.....
No	.70	.60	Sterling Pacific	3,700	.68	.67	.65	.65
No	.11½	.07½	United	20,500	.09	.09½	.09	.09
No	.25	.11	Vanalta	14,500	.23	.22	.18	.22
1	.20	.20	Vulcan	437	.....	.20	.20	.20
No	.97	.77	Wainwright West	......	.97	.....	.....	.....
1	.22	.20	Wellington Oil	......	.20	.....	.....	.....

VANCOUVER STOCK EXCHANGE

(Transaction for Week to February 13.)

Par Val	Range 1934 High	Low	Company	Sales	Close Feb. 6 (or last)	High for week	Low for week	Close Feb. 13
.	.09½	.04½	Alexandria Gold	46,800	.09½	.09	.08	.08
25c	.03½	.01	Bayview	45,800	.02½	.03	.02½	.03
20c	.08½	.05½	Beaver Silver	34,300	.05½	.07	.05½	.07
25c	.06½	.04	Big Slide	......	.04	.....	.....	.....
25c	.03	.02	Bluebird	1,000	.02	.02½	.02½	.02½
1	1.00	.83	Bradian	6,223	.89	.90	.85	.85
No	11.65	9.85	Bralorne	2,770	11.15	11.50	11.00	11.00
1	.44	.20	Bridge River Cons.	49,100	.40	.40	.38	.39
50c	.80	.28	Bridge River Exp.	92,450	.77	.77	.70	.71
100	99.00	99.00	B. C. Electric, pfd	......	99.00	.....	.....	.....
1	.91	.51½	B. C. Nickel	66,050	.86	.91	.82	.91
1	1.10	1.00	B. C. Silver	......	1.10	.....	.....	.....
No	*.82	.52	Burns Mountain	......	.55	.....	.....	.....
50c	.27½	.20	Butte I. X. L.	19,450	.26	.27½	.26	.26½
1	2.90	2.00	Cariboo Gold	9,343	2.61	2.65	2.50	2.50
No	10.00	8.75	Coast Breweries	212	9.75	10.00	9.25	9.50
.	.31	.21	Congress Gold	48,200	.27	.31	.26½	.30
25c	.01	.01	Cork Province	1,000	.01	.01	.01	.01
1	*.05	.02½	Cotton Belt	......	.05	.....	.....	.....
1	.04	.01½	Dalhousie Mines	6,500	.03	.03½	.03	.03
.	.08½	.06	Dawson Gold	4,300	.08	.07½	.07	.07
No	.64	.25	Dentonia	69,700	.58	.64	.51	.54
1	.45	.28	Dunwell	7,940	.29	.34	.30	.32
1	.42	.31	George Copper	350	.42	.42	.42	.42
50c	.02½	.02	Geo. Enterprise	......	.02	.....	.....	.....
1	.03	.02½	Georgia River	37,000	.02½	.03	.02½	.02½
.50	.07½	.01	Glacier Creek	7,950	.06	.06	.05½	.06
1	.60	.45	Golconda	68,050	.55	.60	.49	.60
50c	.47	.27	Gold Belt	26,925	.41	.44	.40	.44
1	*1.50	.95	Golden Belle	......	1.50	.....	.....	.....
No	.20	.16	Grange Mines	8,607	.18	.19	.17½	.18½
50c	.06	.04	Grandview	8,400	.04½	.05	.04½	.04½
1	.40	.28	Grull Wihksne	7,500	.37	.39	.34	.34
1	.07	.05	Hercules Cons.	135,650	.06	.06½	.05	.06
No	.20	.07	Home Gold	43,370	.17	.17½	.15½	.16½
1	.02	.01½	Independence	7,000	.01½	.01½	.01½	.01½
1	.02½	.01½	Indian Mines	1,000	.02½	.02½	.02½	.02½
1	.14	.12½	Inter. Coal	......	.12½	.....	.....	.....
1	*.36	.36	Jack Waite	......	.36	.....	.....	.....
50c	.24	.19	Kootenay Belle	2,300	.20	.21	.19	.21
25c	.01	.01	Kootenay King	1,000	.01	.01	.01	.01
25c	.01½	.01	L. & L. Cons.	......	.01½	.....	.....	.....
1	.01½	.00½	Lakeview	7,600	.01½	.01½	.00½	.01
10c	.06	.05	Lucky Jim	1,750	.05	.05½	.05	.05½
50c	.00½	.00½	Marmot Metals	......	.00½	.....	.....	.....
10c	.33	.22	Meridian Min.	83,150	.23	.30	.23½	.27
1	*.10	.07	McGillivray Creek	......	.07½	.....	.....	.....
No	.20½	.11	Mak Siccar	10,750	.18	.20½	.18	.20½
5c	.04	.04	Metaline Metals	......	.04	.....	.....	.....
No	.29½	.13	Minto Mines	88,000	.28	.29½	.22	.29
50c	.13½	.05½	Mogul Min.	70,800	.10½	.13½	.10	.13½
25c	*.01	.00½	Mohawk	......	.00½	.....	.....	.....
50c	.37½	.20	Morning Star	172,450	.32	.37½	.30½	.36
1	.03	.01	Morton Woolsey	3,150	.02	.02½	.02	.02½
1	.13	.05	Native Sons	73,200	.11	.11½	.08½	.09
50c	.06½	.04½	National Silver	83,567	.05½	.06½	.04½	.06½
50c	1.36	1.18	Nicola	49,798	1.35	1.36	1.33	1.35
50c	.15	.11	Noble Five	87,250	.11½	.13½	.11½	.13½
1	.38	.12½	Pavilion	4,200	.32	.34	.30	.33
1	12.75	11.00	Pioneer Gold	1,360	12.25	12.75	11.75	11.75
1	*.11	.10	Planet	......	.10	.....	.....	.....
50c	.14	.10	Porter Idaho	12,050	.11	.12½	.11	.12½
No	.02	.01½	Premier Border	69,000	.01½	.01½	.01½	.01½
No	.25½	.16	Princess Royal	1,000	.18	.20	.20	.20
1	.04	.03	Quatsino Copper	6,000	.03	.04	.04	.04
50c	.18	.12	Red Hawk	1,000	.13	.18	.18	.18
No	.22½	.10	Reeves McDonald	1,550	.18	.18	.18	.18
.01	.18½	.10	Reliance	40,200	.18	.18	.17	.17
1	1.25	.87	Reno Gold	27,500	1.20	1.18	1.09	1.17
1	.15	.09½	Reward Mining	31,750	.14	.15	.12	.12
1	.03	.01½	Rufus Argenta	13,700	.02½	.03	.02½	.02½
1	.04½	.03	Ruth Hope	500	.03	.03	.03	.03
1	.54	.37	Sally Mines	9,200	.47	.50	.45	.50
.	.28	.27	Salmon Gold	22,500	.....	.28	.27	.27
1	.07½	.05	Silverado	5,000	.05	.07½	.06	.07½
25c	.03½	.02½	Silver Crest	77,700	.02½	.03½	.02½	.03½
20c	.07	.04	Silversmith	......	.06½	.....	.....	.....
50c	.02½	.01½	Snowflake	4,500	.01½	.01½	.01½	.01½
25c	.04	.02	Sonora	......	.04	.....	.....	.....
1	.40	.28	Standard Gold	2,450	.30	.35	.28	.34
1	.24	.20	Sunloch	......	.20	.....	.....	.....
10	5.60	4.75	Sunshine	550	5.10	5.60	5.25	5.60
No	.77	.50	Taylor Bridge	23,000	.77	.77	.67	.70
.25	.05	.04½	Thurlow Gold	18,100	.04½	.05	.04½	.04½
5	.22	.20	Toric	......	.22	.....	.....	.....
50c	*.03½	.00½	Topley Richfield	......	.00½	.....	.....	.....
50c	.25	.04½	United Empire	50,550	.18	.25	.17	.23
No	2.50	1.40	Vidette Gold	2,950	2.23	2.22	2.10	2.10
No	.24	.14½	Waterloo Gold	14,000	.18	.20	.18	.20
25c	.04	.02½	Waverly Tangier	951,995	.02½	.04	.02½	.03½
50c	.46	.41	Wayside	52,740	.45	.46	.42	.43
20c	.03½	.02½	Wellington	8,500	.02½	.03½	.03	.03
No	.39	.30	White Eagle	800	.35	.35	.35	.35
1	.09	.06½	Whitewater	3,050	.07	.08½	.07½	.08½

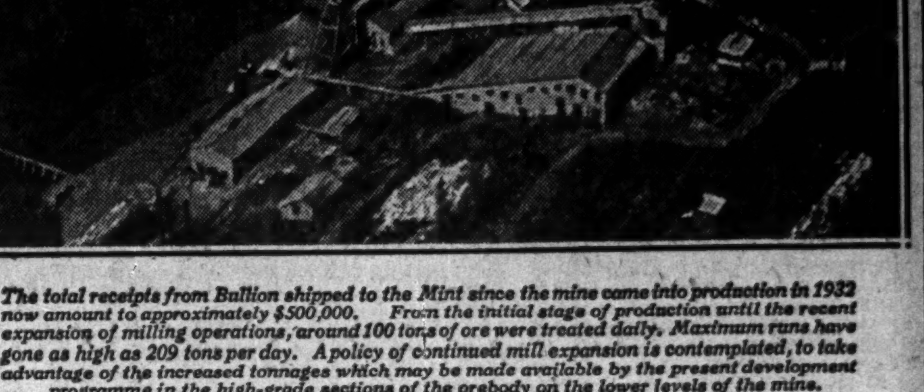
*Quotations for 1933. None recorded in 1934 to date.

DIVIDEND PAYERS

	Rate	Yield %
Ajax Oil	8c.	5.44
Bulolo Gold‡	60c.	.....
Coast Brew	92c.	9.68
Coniagas‡	12½c.	.....
Cons. Smelters	1.50	.....
Dome Mines	1.25	.....
Falconbridge*	25c.	.....
Goldfield Cons‡*	5c.	.....
Hollinger	65c.+20c.	6.25
Howe Sound	$3	.....
Int. Coal & Coke‡	2c.	.....
Inter. Nickel, c.	10c.	.....
Lake Shore	$2+$1	6.66
McIntyre	1.62½	4.00
Mercury Oils	4c.	.....
Merland Oils‡*	5c.	.....
Model Oils	3c.	.....
Noranda‡	$1	.....
Petrol Oil‡*	1c.	.....
Premier	12c.	8.95
Pioneer, B.C.	60c.	5.06
Royalite*	$1	.....
San Antonio†	5c.	.....
Siscoe	12+2c	7.65
Sterling Pacific Oil‡	2½c.	.....
Sunshine Min.	5+7c.	.....
Sylvanite	10+2½c.	5.79
Teck-Hughes	60c.	10.25
Wright-Har.	20c.+10c.	4.22

‡Interim. †Initial. *Paid in 1933.

A Producing Gold Mine



The total receipts from Bullion shipped to the Mint since the mine came into production in 1932 now amount to approximately $500,000. From the initial stage of production until the recent expansion of milling operations, around 100 tons of ore were treated daily. Maximum runs have gone as high as 209 tons per day. A policy of continued mill expansion is contemplated, to take advantage of the increased tonnages which may be made available by the present development programme in the high-grade sections of the orebody on the lower levels of the mine.

We offer, for the owners, subject to allotment:

300,000 shares

ARDEEN GOLD MINES
LIMITED
(No Personal Liability)
Incorporated under the laws of the Province of Ontario

BOARD OF DIRECTORS AND OFFICERS

Henry G. White, Rochester, N.Y.; formerly Treasurer, I. M. Ludington & Co., Inc. President
A. R. Miller, jr., Rochester, New York; President, Ardean R. Miller, Inc... Vice-President
W. A. Williams, Montreal, Quebec.......... Secretary-Treasurer
N. O. Lawton, B.Sc., M.E., Kashabowie, Ontario.......... General Manager
C. G. Greenshields, K.C., Montreal, Quebec, Barrister
John J. McInerney, Rochester, New York, Attorney
Claude Ludington, Rochester, New York; President, I. M. Ludington & Co., Inc.

CAPITALIZATION
3,000,000 shares Par Value $1.00—Subscribed and Paid Up 1,310,000 shares—In the Treasury 1,690,000 shares

LEGAL
Greenshields & Greenshields.. Montreal, Que.
Fennell, Porter & Davis...... Toronto, Ont.
John J. McInerney......... Rochester, N.Y.

BANKERS
Bank of Montreal, Montreal, Que.
Bank of Nova Scotia, Montreal, Que., and Port Arthur, Ont.

AUDITORS
Rathie, Woodall & Wilson, Chartered Accountants, Montreal, Que.

REGISTRARS AND TRANSFER AGENTS
Chartered Trust and Executor Co., Montreal, Que., and Toronto, Ont.

Head Office: 132 St. James Street W., Montreal, Que.

The property owned and controlled by the Company covers an area in excess of 3,400 acres, part of which is located on the shore of Jackfish Lake, District of Thunder Bay, Ontario, and extends for almost three miles along the strike of the gold-bearing zone. The geology is typical of the Ontario Gold Camps with Precambrian rocks present throughout the area. A 20 mile road connects the mine with the main line of the Canadian National Railway. The property has a complete mining, milling and surface plant now in operation. The mill has a present capacity of 200 tons daily, while the crushing plant is capable of handling 700 tons of ore each 24 hours. The complete mining plant is operated by both electric and steam power. A crew of 134 men are employed at the property under the direction of N. O. Lawton, B.Sc., M.E.

The property has been systematically studied by the staff of both the Canadian Geological Survey and the Ontario Department of Mines as well as by such outstanding mining engineers as Maurice W. Summerhayes, Douglas A. Mutch, R. M. Macauley, R. W. Howe and Norman Fisher. A complete and favorable study of the geology was given by R. J. Watson in the annual report of the Ontario Department of Mines (Part IV, 1928) in which he emphasized the geological similarity to the Kirkland Lake area. R. W. Howe, consulting engineer of the Milton Hersey Co., Limited, reported that ore shoots at the deeper levels were wider than those on the upper levels—average ore values were given as $13.76 per ton on the upper levels, with gold at present prices, while average values across the full width of the vein where cut by the drill, at about the 875 foot depth, have been found to run at approximately $25 per ton at present gold prices.

The main vein has been traced for 5,800 feet of the total possible length of 15,000 feet, while surface exploration and diamond drilling have shown a number of gold-bearing veins which have not yet been opened up, but which indicate higher grade ore than that recovered from the No. 2 or main vein. Underground exploration and development operations have been carried on by means of three shafts; one, a two-compartment shaft to a depth of 140 feet; another, 60 feet, and the main three-compartment shaft to a depth of 750 feet. Preparations are under way to sink to 1000 feet. Levels have been driven from the main shaft at depths of 125, 250, 375, 500, 625 and 750 feet, and from the No. 1 shaft 310 feet to the west.

The Ardeen ore body at the surface is sufficiently large to encourage mining operations, yet at depths between 500 and 750 feet, the width of the main ore body has more than doubled. Diamond drilling down to 875 feet shows a continued increase both in width and gold values.

With the successful carrying out of the program of exploration and development now contemplated by the Board of Directors, production and earnings on an increased scale should allow for steady accumulation of surplus funds available either for dividend disbursements or for greater mine expansion.

PRESENT OFFERING
300,000 Shares at 50c per Share

Applications for Shares may be made through your own Broker, or through:

STRATTON, HOPKINS & HUTSON
Members Toronto Stock Exchange
ADelaide 1305
288 Bay Street, Toronto

RITTENHOUSE, HAMILTON & CO.
Members Toronto Stock Exchange
ELgin 0247
812 Star Building, Toronto

C. I. COULTER & CO.
Members Toronto Stock Exchange
ADelaide 9465
317 Bay Street, Toronto

The Company has been paid in full for the 300,000 shares forming this offering and consequently the proceeds derived from the sale of these shares will not go into the treasury of the company.

Statements contained herein are based upon information obtained from sources which we believe to be reliable but we do not guarantee their accuracy.

Calg'y & Edmonton Corp. December Output Up

Monthly reports will be made henceforth on operations of Calgary & Edmonton Corp. The first of these statements reports production and royalties from producing wells on the company's lands in December, 1933, at 29,908 barrels; royalty, $14,411 as against 19,835 barrels with royalty of $8,268 in December, 1932.

Production for six months ended Dec., 1933: 140,354 barrels, royalty, $63,104 as against 122,609 barrels and royalty of $49,193 in the six months ended Dec. 31, 1932.

Drilling Progress—Two wells are at present being drilled on the company's lands: C. & E. Longview Well No. 1 drilling at 4,404 ft. on Feb. 5, 1934.

Associated Royalties, drilling at 3,360 ft. on Feb. 3, 1934.

New Leases—Nordon Corporation in Pekisko district on company's property covering approximately 430 acres.

The Week in Mining

Seniors Were Juniors Once

FIRST issue of the Toronto Stock Exchange Bulletin, which will be published monthly, contains a lot of interesting statistics with regard to trading, quotations, dividend rates and payments, new listings and commission rates in January. Charts and price indices and market valuations of 16 principal groups traded on the exchange are given.

In November, December and January, 12 issues of base metal senior companies with total listed shares of 42,529,142 had a market valuation rise from $506,590,263 to $552,067,128. The average price per share is $18.08 a share whereas the average price of 21 issues of base metal junior companies rose only from 3⅛c. a share to 4c. a share. These 21 issues have total shares listed of 65,116,905 worth $2,097,919. Such a tremendous difference is there between the value of a junior stock and a senior stock. All of the senior stocks were juniors once which is not quite the same thing as to say that all the juniors will become seniors in their turn.

* * *

Mining Stocks Worth Billion

THE disparity is not so great between the gold senior stocks and the gold junior stocks. The average price of each gold senior issue in November was $20.03, in December, $21.12 and in January, $20.29. The total shares listed in all three months were 21,730,288 and had a valuation at the end of January of $305,106,305.

In November there were 20 gold junior issues listed and at the end of January only 12. The average price per share went up from 81c. to 96c. and the shares listed dropped in this period from 66,762,878 to 62,297,878 valued at $54,272,641.

Gold prospects in the same period advanced from 53 issues to 55 issues, the number of listed shares rising from 138,472,477 to 142,798,488 shares valued at $20,857,172.

In January there were also 26 issues of miscellaneous mines with total listings of 64,143,813 shares at an average price of $1.37 a share or a total valuation of $42,893,996.

In the same time silver issues listed dropped from 9 to 8 and there are now 22,872,612 shares listed at a total valuation of $18,213,442 at an average price of 85c. a share.

In January 29, issues of gas and oil companies with total listings of 36,937,779 at market valuation of $23,517,566.

Total market valuation for all mining stocks listed exceeded one billion dollars.

* * *

Angas Recants

OF GREAT interest throughout the world of mining is the news that Angas, whose recent book foretelling the collapse of gold mining shares excited great interest, now recants, saying that he now foresees a substantial advance in gold equities because events, which he considered improbable, have occurred as a result of acts of President Roosevelt. He holds the view that there will have to be some more credit or currency inflation in Great Britain if the British pound is to follow the dollar as it seems to be doing.

Trail Ore Receipts

Ore receipts at Trail Smelter from February 8 to 14, 1934, inclusive, and from January 1, 1934 to date, in tons:

	Tons Feb. 8 to 14	Tons 1934 to Date
Company's mines	9,885	52,183
Other mines	1,866	9,835
	11,751	62,018

Canadian Mining News

ST. ANTHONY GOLD TO ISSUE SHARES IN NEAR FUTURE

Needs Working Capital For Initial Operations

Installation of the cyanide mill and power plant of St. Anthony Gold Mines is rapidly nearing completion despite the severe winter, according to the annual report of the president, H. P. Bellingham. Within the next two months it is expected that the mine will enter into production of approximately $60,000 per month. While present finances are sufficient to complete new installations the directors wish to provide working capital sufficient for three months operations and propose that capital stock of the company be increased to $3,300,000 from $3,000,000. Shareholders are asked to ratify this increase at the annual meeting to be held March 1 in Toronto.

Shareholders will be given the right to subscribe to one new share at 25 cents per share for each ten shares held. During 1933 the number of shares outstanding was increased from 2,364,900 to 2,930,000. Property of the company, a former producer, is in the Thunder Bay District of Ontario.

At December 31, 1933, the company had cash amounting to $19,574. Current assets totalled $26,928 and current liabilities, $43,940 which consisted of accounts payable and accrued wages. There is a deferred liability of $14,675 on account of a loan from a shareholder. Mining properties are carried at $1,650,730 and improvements total $243,479.

Nears Completion

The report of Lawrence B. Wright, consulting engineer, indicates a further discovery of ore assaying $16.20 over 42 in. of core by diamond drilling in the granite several hundred feet north of the shaft. Turbines, generators, draft tubes and other parts of the hydro-electric plant are at the dam site and ore being installed; 85 per cent of the concrete work is complete. Installation of transmission line from power plant to the mine is nearing completion. The major portion of the new machinery is on new foundations. The plant is designed to treat 125 tons a day.

Sufficient ore is now at the surface to amount to one year's operation. Known ore reserves lying above the 350-ft. level are sufficient for a second year of operation. Ore in the granite north of the shaft is expected to add two more years to present reserves with continued successful operation.

The profit and loss account of the company is as follows:

Profit and Loss Account
Years Ended Dec. 31

	1933 $	1932 $
General expenses	10,309	2,633
Mine expenses	3,327	1,000
Total expenses for year	13,637	3,633
Less previous surplus	79,736	83,369
Surplus forward*	66,099	79,736

*In 1932 balance sheet surplus shown as $231,734 against which profit and loss balance of $151,998 carried as deferred asset; in 1933, surplus shown as above.

Pioneer Declares Dividend

From Our Own Correspondent

VANCOUVER.—A. E. Bull, secretary of Pioneer Gold Mines Ltd., announces that a dividend of 15 cents a share has been declared, covering the quarter ending March 31 and payable on April 2 to shareholders on record at the close of March 3. This payment represents a distribution of $262,762. Mr. Bull reports satisfactory progress at the mine.

Gold Output in 1933 Lower With Values Received Higher

December Production Exceeds November But is Less Than Last Month of 1932 — Ontario Mines Showed Increase

Gold production in Canada during December amounted to 247,649 ounces, worth $5,119,359, as compared with 240,969 ounces at $4,981,271 in November and 262,178 ounces at $5,419,700 in December, 1932, according to a report issued by the Dominion Bureau of Statistics at Ottawa. These values are based on the standard rate of $20.671834 per ounce. During the calendar year 1933 the total Canadian output of new gold was 2,937,618 ounces; in the preceding year 3,044,387 ounces were produced.

The December output from Ontario sources totalled 185,813 ounces made up of 92,863 ounces from the Porcupine camp, 80,031 ounces from the Kirkland Lake area and 12,919 ounces from other sources. In November, 173,390 ounces were produced, consisting of 87,673 ounces from the Porcupine camp, 79,069 ounces from the Kirkland Lake field and 6,648 ounces from other sources. Ontario gold mining companies milled 496,317 tons of ore in December as compared with 478,605 tons a year ago. During 1933 Ontario mills treated 5,614,680 tons or 1.3 per cent above the tonnage milled in 1932.

More Jewellery and Scrap

Quebec operators reported an output of 32,087 ounces as against 33,777 ounces in November and 30,090 ounces in December, 1932.

The British Columbia output in December amounted to 19,938 ounces; in the preceding month 20,476 ounces were produced.

Production from Manitoba and Saskatchewan totalled 9,312 ounces, or 3.9 per cent above the November output of 8,961 ounces.

The Yukon produced 140 ounces in December, as compared with 4,235 ounces in November.

Shipments to the Royal Canadian Mint from Nova Scotia and Alberta were recorded at 359 ounces; in November 130 ounces were shipped.

The Royal Canadian Mint received jewellery and scrap containing 19335 ounces of gold during December as against 10,025 ounces in the preceding month. Receipts of jewellery and scrap during the calendar year 1933 contained 83,689 ounces of gold.

Gold quotations on the London market, in Canadian funds, recorded a low of $31.60 per ounce on the fourth but advanced to a high of $32.54 per ounce on the thirtieth, with an average for the month of $32.14 per ounce. The November quotations averaged $32.68 per ounce.

World Production Gains

According to the American Bureau of Metal Statistics, world gold production in December was estimated at 2,095,000 ounces; in the preceding month 2,057,000 ounces were produced. Production during the calendar year 1933 amounted to 24,282,000 ounces, or 0.2 per cent above the 1932 total. Transvaal's output has declined slightly during the past two months, in October, 911,000 ounces were produced, in November 898,000 ounces, and in December, 894,000 ounces. The United States (including Phillippines) produced 269,872 ounces in December, or 5.2 per cent above the preceding month's total. The December United States output consisted of 184,622 ounces received at the Mint, 83,466 ounces received in crude forms by private smelters and refiners and 1,784 ounces contained in exports of ore and base bullion.

PRODUCTION OF GOLD IN CANADA

	1933 Ounces	1932 Ounces	1931 Ounces	1930 Ounces
January	233,456	233,889	203,227	154,506
February	228,224	226,395	195,961	145,806
March	260,154	256,796	204,872	164,187
April	237,017	244,728	222,866	169,596
May	237,661	268,770	216,597	168,695
June	261,411	270,652	229,478	175,927
July	255,656	250,871	228,878	170,697
August	256,561	264,769	229,216	170,052
September	235,596	263,739	243,109	178,291
October	243,264	254,654	239,691	186,844
November	240,969	247,446	238,354	197,688
December	247,649	262,178	241,643	219,779
Total	2,937,618	3,044,387	2,693,892	2,102,068

NICKEL EXPORTS TREBLED IN 1933

United Kingdom, United States, Netherlands and Norway Chief Buyers

Much interest was displayed in the Dominion House of Commons the other day when answers were given to questions asked by H. E. Spencer, member for Battle River, as to how much nickel was exported from Canada in the years 1932 and 1933 and to what countries.

The following table contains the answer showing the exports trebled but hard to read by those who want to see how much is used for armaments:

Exports to:	1932	1933
United Kingdom, cwt.	68,530	262,978
	$1,272,127	$6,648,908
U. S., cwt.	165,344	419,023
	$3,924,189	$9,995,125
Australia, cwt.	......	56
	$	$2,421
Belgium, cwt.	......	2,781
	$	$93,244
France, cwt.	638	459
	$28,280	$18,154
Germany, cwt.	2,136	5,535
	$75,973	$242,939
Italy, cwt.	3,254	2,461
	$121,811	$113,527
Japan, cwt.	3,705	6,363
	$130,064	$268,076
Netherlands, cwt.	18,394	89,199
	$642,947	$3,753,957
Norway, cwt.	58,876	91,963
	$1,080,918	$1,659,517
Newfoundland, cwt.	6	3
	$200	$100
Spain, cwt.	336	......
	$11,640	$ ......
Total exports, cwt.	320,719	880,821
	$7,283,964	$22,795,968

Arno Mines Now Controls 7 Properties; Looks For More

Following the recent stock market activity in the stock of Arno Mines Ltd. during which the stock rose from 5 to 20 cents, then declined back to 9 cents per share, the vice-president, F. A. Sproule, issued a statement which included the following:

"The company now owns, or controls, seven properties, including the Coxheath Copper Mines, two groups in Quebec and four in the Great Bear Lake area. An eighth property is now under investigation in Quebec, and, should trenching results prove sufficiently conclusive as to its merits, it will be acquired. It is planned to have additional parties in the field during the coming season to continue investigations already started and prospect any new areas which may look promising."

Further work on Quebec properties is being deferred until other properties adjoining their various claims are proved up. This applies to one group adjacent to McWatters development, and another adjoins the Sequin Rouyn holdings, both of which are under development.

"It will be apparent," the statement continues, "that the company controls an unusually large number of promising properties, all in active camps and contiguous to important discoveries. These properties are all in good standing, with no outstanding liabilities, and are at a stage where adjoining developments should, in many instances, prove up their mining chances at little or no cost to the company."

J. D. Galloway Resigns As B. C. Mineralogist

From Our Own Correspondent

VANCOUVER.—John D. Galloway, provincial mineralogist and one of Western Canada's best known authorities on mining and metallurgy, has resigned after twenty years of service with the provincial government and will enter private practice as consulting mining engineer in Victoria. He succeeded the late W. Fleet Robertson as provincial mineralogist about five years ago.

RENO GOLD MINES TO STEP UP MILL BEFORE MARCH

New Ore Developments and Profitable Operations Restore Confidence

The present mill of Reno Gold Mines, Ltd., which has been operating at about 65 tons daily, is to be stepped up this month to 100 tons daily. This mill was acquired along with the Nugget and Motherlode claims, following the destruction of the little Reno mill by fire in 1932, and was placed in operation in January, 1933. While the mill was of excellent construction, the equipment was not up to present day requirements with the result that when I. M. Marshall, B.Sc., took charge of the property last summer, rehabilitating the equipment was undertaken as funds permitted. The ball mill capacity, the bottle neck of the production rate, has been increased by the installation of equipment providing a finer feed.

Power Plant Installed

The power plant, comprising modern new equipment, was installed when the present mill was acquired. Its rated capacity is about 800 h.p. which is supplemented by water wheels in the mill. With the improvements made, the present power plant is sufficient for around 100 tons daily.

At the present time mining and exploration are confined to the Reno group of claims and there is no thought of exploring the Nugget or Motherlode section of the property, as has been reported. Within the zone of quartzite on the Reno section, there are promising areas yet to be explored latterly as well as vertically. In the Donnybrook section, some 1,500 ft. from the portal of the No. 5 adit, there is a potential ore zone that can be easily probed and which will come in for attention this summer.

Under the present management the property is receiving good but belated technical direction. The unfortunate market manipulation last summer cannot be laid on the doorstep of the present directors, who are well-known Vancouver business and professional men including D. S. Wallbridge, K. G. Nairn, John Anderson, G. F. Gyles, A. J. Hendry, O. B. Allan and O. B. Thomson. Sir Kenneth Crossley, Bart., of England, is president.

Increasing Tonnage

Last summer Basil Prescott, an American mining engineer, made a report on the property, prior to the engagement of I. M. Marshall, B.Sc., as manager. As a consideration he received 10,000 treasury shares at 70 cents each. These shares and some English holdings figured in a market play directed by Vancouver and Los Angeles interests that had the effect of disturbing the confidence in the merits of the property. While it does not at the present time evidence big mine-making possibilities the fact that operations in 1933 closed on a profitable basis, with a December operating profit of some $11,000 and a net profit of over $4,000, indicates its possibilities. In January the gross value of the production was $37,501 in 28½ working days. During the month 600 ft. of development was done. The mining costs were $2.91 per ton; milling costs were $2.02 per ton, while development cost $11.71 per foot. These are all new records for the mine and tonnage is to be increased in a few weeks to the extent of 25 per cent.

Olga Gas & Oil Makes Dicker Indiana Acreage

Subject to ratification by shareholders of Olga Gas & Oil Co. of by-law No. 11, calling for an increase in capital stock from 1,000,000 to 2,000,000 shares, the company has entered into an arrangement with the Decatur Oil Co. of New York for a 51 per cent interest in, and exclusive management of, 110,000 acres of gas leases in Indiana. Olga Gas offers in exchange 350,000 shares of its stock and shareholders are called to a special meeting on February 20 to consider the agreement.

H. J. Plaxton, president, Olga Gas & Oil Co., tells The Financial Post that four gas engineers have estimated potential gas reserve of this property at 66 billion cubic feet and that existing wells have already established important production. Profitable marketing in district of this gas is expected.

Olga Gas revenue at present is $2,800 a month from sale of gas in Raleigh township, Kent county. The gas is sold to Southern Ontario Gas Co. of Buffalo.

Hercules Consolidated Will Develop New Vein

From Our Own Correspondent

VICTORIA, B.C.—Discovery of another strong vein within fifty feet of tidewater and on which development will take place immediately is reported by officials of the Hercules Consolidated Mining & Smelting Co., operating at Phillips Arm, a short distance up the coast. The new vein is said to indicate substantial gold values with prospects of large tonnage.

A crew has been engaged during the past week in underground work with a view to making shipments to the Trail smelter of around fifty tons a day within a short time. These shipments will be taken out of ore already developed while work on the new ore bodies will be continued at the same time.

The general widths on the Hercules Consolidated property run to as much as 100 feet and can be traced on the property for over two miles. Machinery for underground equipment and electrical supplies for camp lighting will go up this week while plans are being drawn up for water power development. Camp buildings are now practically completed while a new steamer landing is now in operation.

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Nova Scotia Gold

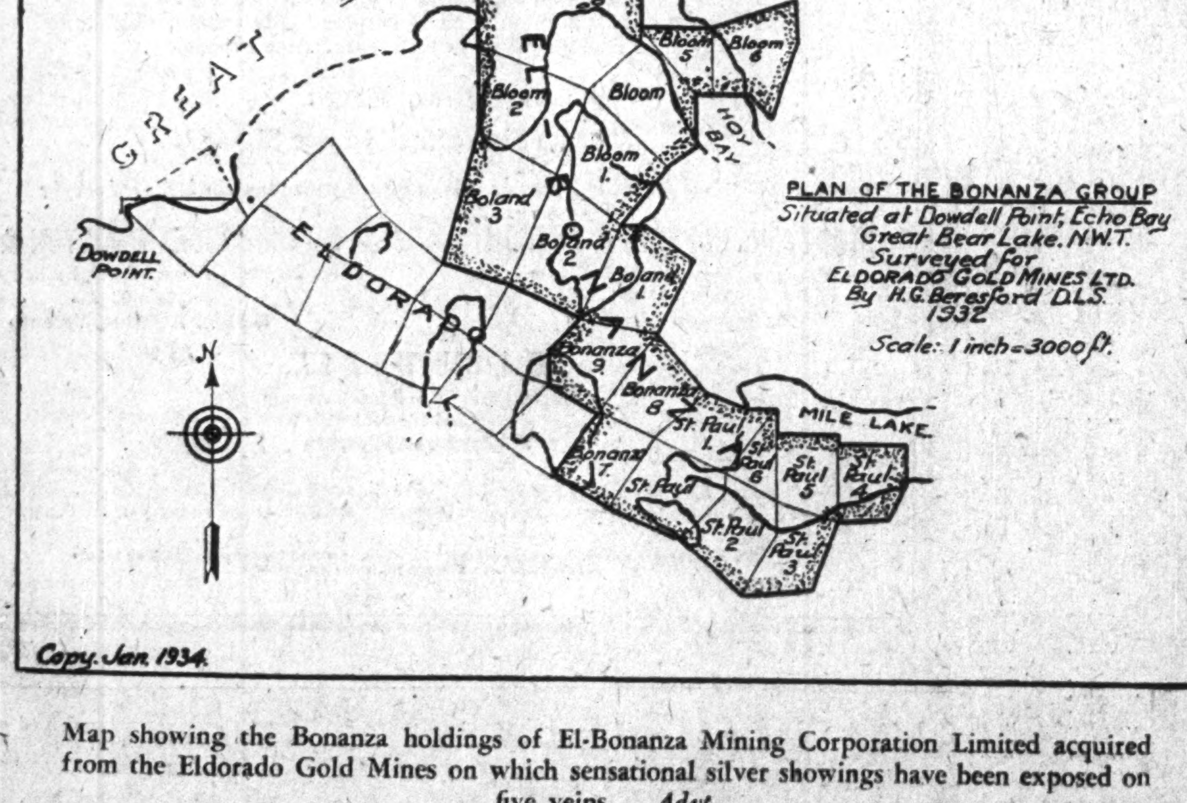
The Government will co-operate with any substantial mining, exploration company, or capitalist, while examining or operating a gold mining property. If possible will supply—

1. Services of Government Engineers.
2. Geological and mining information, maps, plans, etc.
3. Government assaying and ore testing.
4. Protection of operating company's interest while in the Province.
5. Electric or other power.

The gold fields of Nova Scotia as yet undeveloped offer attractive possibilities.

Hon. Michael Dwyer
Minister of Mines,
HALIFAX, N.S.

El-Bonanza Mining Corp. Ltd.
Bought — Sold — Quoted
Detailed Information Upon Request
KIRKHAM, SCANLON & CO. Limited
INVESTMENT SECURITIES
302 BAY ST. WAverley 3041 TORONTO



Map showing the Bonanza holdings of El-Bonanza Mining Corporation Limited acquired from the Eldorado Gold Mines on which sensational silver showings have been exposed on five veins. — *Advt.*

H. R. BAIN & CO., LIMITED, offers for subscription shares in a consistent, high-grade gold ore property upon which $215,000 has already been expended by the discoverers and operators to overcome early hazards.

1,000,000 Shares of

PICKLE CROW GOLD MINES LIMITED
(No Personal Liability)
Located in the Gold Mining District of Patricia, Ontario

CAPITALIZATION
3,000,000 Shares of $1.00 par value, 1,500,000 Shares issued for Property and Development (Pooled to February 1, 1935), remaining in the Treasury, 500,000 Shares.

AN ACHIEVEMENT
Early in 1933, after spending months in establishing a carefully organized department for the underwriting and distribution of shares in Canadian gold companies, we made an offering of shares in Greene Stabell Mines, Limited, a developed Gold Mine, with the early hazards passed and paid for. During the summer of 1933, tons of equipment were transported to the mine; oil tanks, mill, crusher house and power house were erected and the installation of all machinery was completed. On November 18th, the mill was first tuned in and on December 19th of the same year, the first shipment of gold was made to the Royal Mint at Ottawa, making Greene Stabell a revenue producing gold property in a record breaking span of time.

PROPERTY—57 claims, or approximately 2,500 acres located in the Patricia Mining District of Ontario forming a continuous area several miles in length along the strike of the known vein system.

GEOLOGIST—Mr. Reginald E. Hore, our Consulting Geologist, has had a broad experience with the economic mineral deposits of the Canadian Pre-Cambrian shield. He was with the Ontario Department of Mines and later an instructor at the famous Houghton (Mich.) School of Mines and assistant state geologist of Michigan. He then acted as consulting geologist for the Canadian National Railways and was one of the first to examine the Pickle Lake-Crow River area in 1928 for the C.N.R.

DEVELOPMENT TO DATE—Mr. Reginald E. Hore reports "The vein on the surface has been traced for 900 ft. and stripped for 252 ft. . . . numerous samples taken from the cross trenches at intervals of 50 feet, showed an average value over a width of 5.6 feet of $17.76 with Gold at $20.67 an ounce . . . . diamond drill holes prove a continuation downwards and extend the length of the known ore . . . . the three-compartment shaft, sunk to 400 feet, cut diagonally through the vein at a depth of between 20 and 90 feet from the surface."

SAMPLES AT THE 125-FOOT LEVEL—Samples showed 55 inches which averaged $9.00 and 36 inches averaging $4.80; 43 inches of $89.40 ore, 43 inches averaging $7.20 and 47 inches of ore sampling $82.60.

SAMPLES AT 250-FOOT LEVEL—at this level the crosscut reached the vein at 66 feet north of the shaft. Samples showed 26 inches averaging $27.40 and 40 inches averaging $6.20. Drifting on the vein, at this level, east and west of the crosscut gave samplings of ore averaging $10.40, $32.80 and $38.00. One point 8 feet west of the crosscut averaged over 27 inches, $46.60.

SAMPLES AT THE 375-FOOT LEVEL—A vein 10 inches wide showing free gold was cut at a distance of 110 feet from the shaft. Drifting on this vein for 50 feet east and west disclosed values running from $20 to $105 . . . . crosscutting on this level shows that there is an orebody wider than any previously disclosed.

MR. HAMMELL STATES—The parent Company spent $100,000 and I have spent $115,000 of my own personal funds on the further development of the property and—"Should Mr. Bain, through any unforeseen reason, be unable to carry this financing to completion, up to the production stage, I hereby guarantee to do so myself. In my opinion this property has the most consistent and best set of gold assays, and the best show, of any gold property in Ontario at the present stage of development."

CONCLUSION—We have the same faith in the Pickle Crow Gold Mines as Mr. Hammell, and have watched, and checked its progress as each level was opened up to the 375-foot horizon. Consistent in high-grade ore on the surface, the vein system has shown the same high values as the work went deeper and deeper. In the bringing into production of the Greene Stabell Gold Mines our experience broadened and our knowledge increased and now, with this record, which was established within a few months, we unhesitatingly recommend the shares of Pickle Crow Gold Mines, Limited to the investing public as a speculation of unusual merit . . . one on which substantial capital has already been expended by the discoverers and operators to overcome early hazards . . . a definite opportunity for the investor to acquire share interests which have every probability of becoming extremely valuable.

IMPORTANT—All values quoted are with gold at $20.67 an ounce. Present price of gold around $34.90.

OFFICERS AND DIRECTORS
JOHN E. HAMMELL, Toronto, President and Managing-Director
A. L. SMITH, Toronto, Vice-President
E. HAMMELL, Toronto, Director
G. A. CAVIN, Toronto, Director
ROBERT FENNELL, K.C., Toronto, Secretary-Treasurer
HEAD OFFICE: CONCOURSE BUILDING, Toronto, Ontario

SOLICITORS
Fennell, Porter & Davis, Toronto
REGISTRAR AND TRANSFER AGENT
Trusts & Guarantee Company, Toronto
BANKERS
Canadian Bank of Commerce, Head Office, Toronto

Price: 50 cents per Share

Applications may be mailed, wired or phoned to the undersigned or sent through your own Broker.

H. R. BAIN & CO.
LIMITED
Investment Bankers
350 BAY ST. ADELAIDE 4274 TORONTO
OTTAWA MONTREAL ST. CATHARINES

This issue having been underwritten by H. R. Bain & Co., Limited, the treasury of the Company has already received payment or commitment to pay from the underwriters, consequently the proceeds of this sale will not go into the treasury of the Company whose securities are hereby offered to you.